



UNITED STATES ARMS CONTROL
AND DISARMAMENT AGENCY

WORLD
MILITARY
EXPENDITURES
1970

United States Arms Control and Disarmament Agency

GERARD SMITH, *Director*

PHILIP J. FARLEY, *Deputy Director*

ROBERT H. B. WADE, *Assistant Director* (Bureau of Economic Affairs)

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Bureau of Economic Affairs
U.S. Arms Control and Disarmament Agency
Washington, D.C. 20451

INTRODUCTION

"World Military Expenditures 1970" is the fifth report by the United States Arms Control and Disarmament Agency on the size and impact of arms expenditures of the nations of the world.

This report shows that world military expenditures, inflated by further increases in prices, reached a record peak of \$204,000,000,000 in 1970. The increase in military spending over the previous year was the smallest in recent years and relatively less than the apparent price rise—a hopeful sign that the sharp upward trend of the 1960's has been blunted.

Vast sums continue to flow to the acquisition of arms and the support of military forces. It is unfortunately still evident that the poorer countries are increasing arms spending at a faster rate than the wealthier ones. There is an eloquent case in the stark figures for redoubling of efforts to end conflicts, remove the causes of war, and reach equitable agreements for the control and reduction of arms and military forces.

A handwritten signature in black ink, reading "Gerard C. Smith". The signature is written in a cursive style with a large, stylized initial "G".

GERARD C. SMITH
Director

WORLD MILITARY EXPENDITURES, 1970 and Related Data for 120 Countries

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HIGHLIGHTS OF THE DATA

This fifth annual survey of military expenditures and related data by the U.S. Arms Control and Disarmament Agency (ACDA) covers 1969 and 1970 insofar as preliminary information permit rough estimates on a regional or global basis. The estimates for the latest years, as well as the detailed national data for 1964-68, are subject to qualifications which could affect both trend and comparative levels. They should be regarded as reasonable approximations rather than as precise statistical indicators.

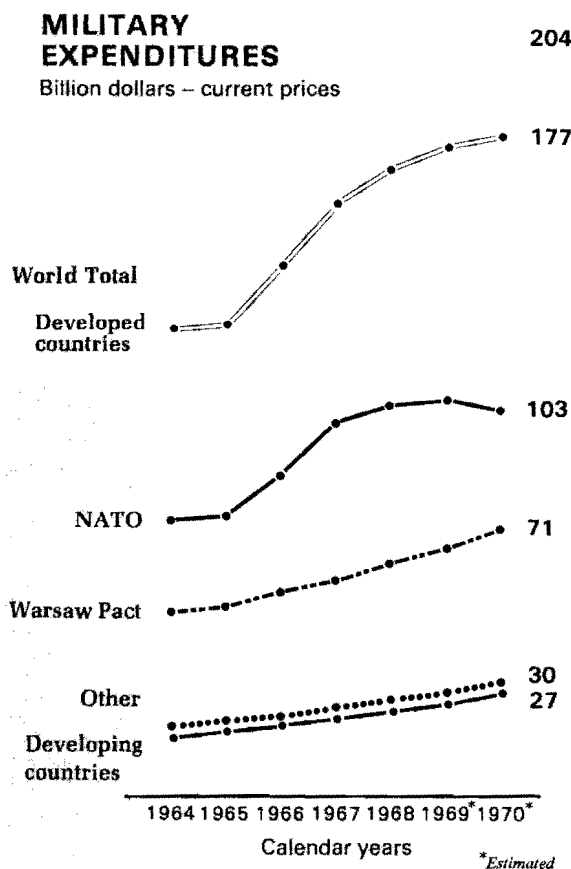
Summary

World military expenditures, inflated by further increases in prices, reached a new peak in 1970. Last year's world total reached an estimated \$204,000,000,000, the equivalent in dollar value of a year's income produced by the 1,800,000,000 people in the poorer half of the world's population.

In actual expenditures, the increase in world military spending over the previous year was the smallest in recent years (**chart I**). In terms of constant dollars,* i.e., had prices been unchanged, there would have been a slight decline—a hopeful sign that the sharp uptrend of the 1960's has been blunted (**chart II**). Expressed as a ratio to GNP, military spending was slightly lower for the third year in a row. In 1970 these outlays took 6.4 percent of the world product.

In the 6 years since the first world survey, military outlays in current dollars have risen almost 50 percent. However, about three-fifths of this increase reflects price inflation. If prices had been unchanged, military expenditures of 1970 would have exceeded those of 1964 by roughly 20

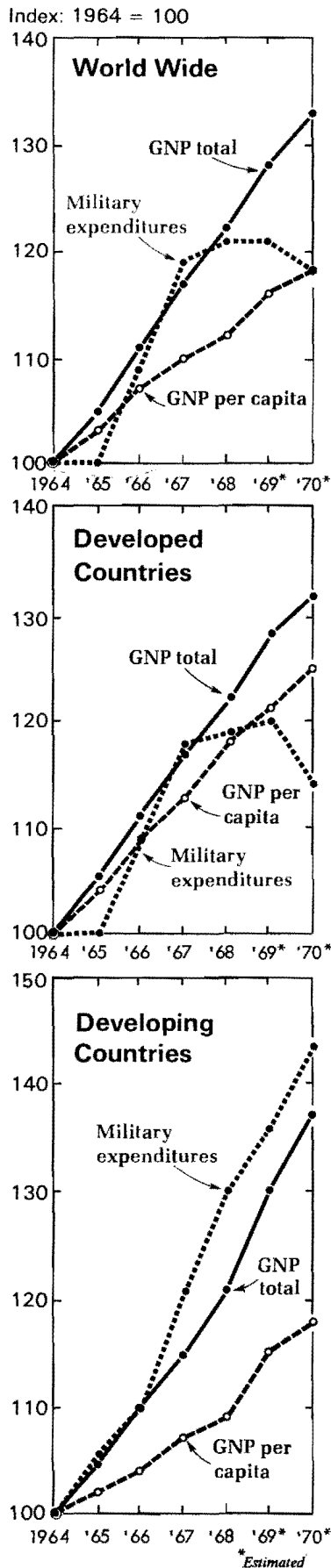
Chart I



*Figures in current dollars reflect the prices and exchange rates of the respective years to which they apply. Figures in constant dollars have been adjusted for changes in both prices and exchange rates to show "real" values in terms of a single year. (See discussion of prices, page 36.)

Chart II

**MILITARY EXPENDITURES AND GNP
ESTIMATED IN CONSTANT PRICES**



percent. Thus, the 20 percent rise measures the "real" or physical increase in military effort since 1964. Some of the increase is reflected in the increased numbers of personnel in the armed forces, which are up more than 10 percent; some in investment in higher quality, increasingly sophisticated military equipment. The rise in expenditures includes strategic forces as well as the conventional forces which represent four-fifths of world military spending.

The current survey produces no evidence that a widespread shift from military to civilian uses of resources has begun. Nor does the slower rate of increase in total military expenditures in the past 2 years reflect a worldwide tendency to restrict such outlays. In the vast majority of countries for which recent information is available, there was a further rise in military budgets in current prices in 1970. While NATO spending went down, largely as a result of a decrease in U.S. defense expenditures, the total for developed countries as a whole did not decline. In developing countries* as a group, military expenditures again moved higher. Thus, developing countries continued, as they had in the years preceding, to increase their share of world military outlays, devoting to military programs funds that could have been allocated to economic development.

More public funds continued to flow into military programs than into public education or public health programs for the world's population of 3.6 billion (**chart III**). In developing countries, for example, the increase in military spending in the period since 1964 represented the equivalent of 3 years' expenditures on public education for the billion school-age children in those countries.

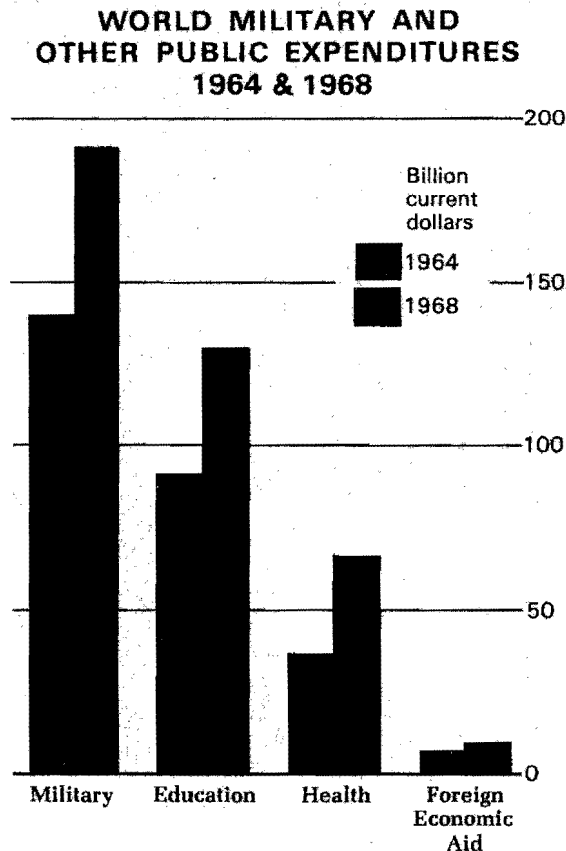
The text below amplifies some of these summary points and provides additional information on global and regional trends and comparisons. (See table I, page 9.) National data are not compared here, but may be found for 1968 and earlier years in tables II through VI, pages 10 to 30.

The Trend of Military Expenditures

Military expenditures provide a useful barometer of the momentum of the arms race. However, the world total, like all averages, may

*The criteria used in classifying countries as "developing" are described in the Statistical Notes, page 32.

Chart III



conceal geographic and other changes which are of major importance in gauging trends.

Chart I shows trends in military expenditures in current prices for the world (vertical white bars) and for each of the major categories of countries for which projections through 1970 are attempted. It should be noted that the categories of countries shown on the charts are overlapping. Most Warsaw Pact and NATO countries, and some "other" countries, are represented in the developed group. Developed and developing countries together make up the world total, as do NATO, Warsaw Pact, and the "other" category.

The chart shows the NATO line in current prices declining, after a rapid rise from 1965 to 1968. Although the Warsaw Pact line continues on a sharp upward slant, developed countries as a whole hardly changed spending levels between 1969 and 1970.

Chart II shows trends in military expenditures after allowance is made for the effect of price rises.

(Correction for price changes on a worldwide basis is necessarily rough.) Expressed in constant dollars, military expenditures of developed countries are estimated to have leveled off between 1967 and 1969 and to have declined in 1970, led by a downturn in the NATO total. This is the first such drop since ACDA's world survey began in 1964, and a significant one in overall effect since expenditures of the developed countries account for approximately 90 percent of world military spending.

The trends in developing countries as a group are rather different. In current and even in constant prices, the recent rapid increase of military spending in these countries has continued. Within this classification of countries, however, major differences in military expenditure trends are evident. The rate of expansion of expenditures is by far the sharpest in the Near East. Smaller increases have occurred in the Far East, Latin America, and Africa. In South Asia, spending rates have changed relatively little since 1966.

As **chart II** indicates, in the developing countries as a whole the rate of increase in military spending continues to outstrip the advance in GNP, at the expense of populations whose average income per capita is still barely \$200 a year.

Comparisons With Economic Growth

Since 1968, when the advance in world military expenditures began to moderate, the growth rate of world GNP has been faster than the overall rise in military spending (see **chart II**). As a consequence, the share of world GNP going to military programs has declined from a high of 7.3 percent in 1967 to 6.4 percent in 1970.

This change suggests that, overall, the military burden has begun to lessen somewhat in relation to the world economy. On the other hand, changes over time in the ratio of military spending to GNP must be evaluated cautiously, both as measures of relative burden and as indicators of arms restraint. Economic growth is population-related. Unless the civilian portion of world GNP—the investment and consumption component—grows with rising population, living standards fall. Unless the civilian portion adjusted for the population rise expands with rising GNP, living standards have not benefited fully from the growth dividend.

The record for 1970 as compared with 1964, the year of ACDA's first annual survey, shows that military expenditures have absorbed some of this growth dividend, although the share of world GNP that they take has diminished. The changes, expressed in dollar equivalents, are summarized in the table below:

WORLD GROWTH DIVIDEND, 1970 OVER 1964 (Billion dollars)	
Increase in GNP in current dollars	1,252
of which:	
price inflation	514
population increment (valued at 1964 GNP per capita)	288
Increase in GNP (adjusted for price and population changes)	(450)
of which:	
increase in military expenditures	28
Leaving an actual growth dividend for civilian uses of	422

In 1970 the dollar value of world GNP was \$1,252 billion higher than in 1964. Price rises and population growth, however, accounted for a major part of this apparent gain in value. The increase in GNP, when higher prices and larger population are considered, was \$450 billion or only one-third of the apparent increase. The increase in world arms spending in constant prices took \$28 billion of this dividend, representing a larger share of real growth in developing than in developed countries.

As an indicator of arms restraint, a downward trend in the ratio of military expenditures to GNP

is not sufficient. With a rapidly growing economy, even a declining ratio to GNP can conceal an intensified arms race.

Compared with the immediate pre-World War II period, military expenditures in 1970 probably took a somewhat smaller share of world GNP. However, the world economic base has been so vastly enlarged that today's share represents a fourfold increase in expenditures, in real terms, as compared with 1937. It is estimated that worldwide military expenditures of 1937, based on a League of Nations study of that prewar year, totaled about \$50 billion in 1970 prices in contrast to today's \$204 billion.

Developed and Developing Countries

Poorer countries suffer most from arms races. For example, military equipment which they produce themselves may tap the high-quality resources that are most needed for investment in civilian industry. Military equipment bought from abroad may take some foreign exchange that could have helped to modernize the economy and improve living standards.

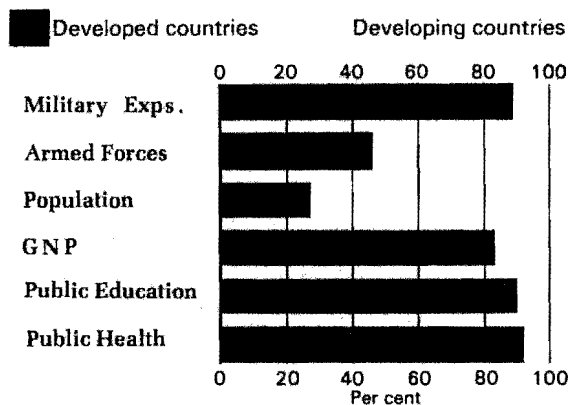
For the past 6 years, ACDA's survey shows, military expenditures have grown considerably faster in developing than in developed countries. The GNP increase in developing economies from 1964 to 1970, expressed in constant prices, is substantial, but the rate of growth per capita has been less than that in developed countries.

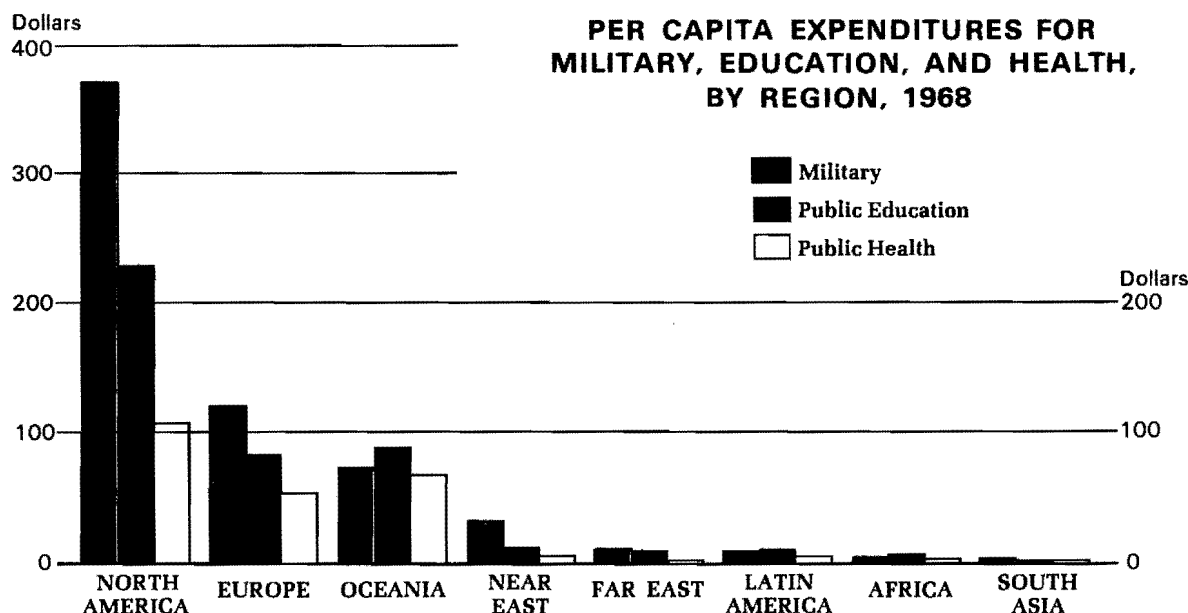
For the developing countries, a calculation of the annual growth dividend similar to that shown in the table above for the world total reveals that they have devoted to military spending twice as large a proportion of their GNP growth dividend as have developed countries, when allowance is made for price increases and the more rapid population growth in the poorer countries. Together, these factors have limited their actual growth dividend for civilian uses to a 6-year gain of only \$30 per person. In developed countries, by contrast, the civilian increment from 1964 to 1970 was 16 times as much or \$469 per person.

Chart IV illustrates the end-results of these trends as of 1968. The 93 developing countries in ACDA's survey represented 73 percent of the world's population but had only 17 percent of

Chart IV

SHARES OF WORLD TOTAL IN 1968





current world income. They accounted for only 7 percent of world public expenditures on health care and for 10 percent on education. The inclusion of international economic assistance would of course add somewhat to the resources available to developing countries, but the addition would represent a relatively minor proportion of their GNP. All foreign economic aid, loans as well as grants, amounts to less than 2 percent of GNP of developing countries.

On the other hand, the developing areas, with their large populations, accounted in 1968 for more than half the 24 million men under arms in the world.

While the budgeted military expenditures of the developing countries were only 12 percent of the world total in 1968, this is not the full amount that went into maintaining military forces in these countries. Military aid contributions of the major powers are a significant supplement to the military expenditures of developing countries. Military aid, according to the standard budgetary concept of this report, is counted among the military expenditures of the donors—not in the recipients' military budgets. In this respect the expenditure data and **chart IV** tend to understate the relative military capacity of the developing world.

Growth rates recorded since 1964 (see table

below) suggest that developing countries have gradually enlarged their share of world military effort, maintaining a rate of increase in personnel in the armed forces as well as in military expenditures considerably larger than that of developed countries. However, this expansion of military effort was accompanied by a lowering of their relative economic standing when population increase is taken into account.

AVERAGE ANNUAL GROWTH RATES, 1964-70

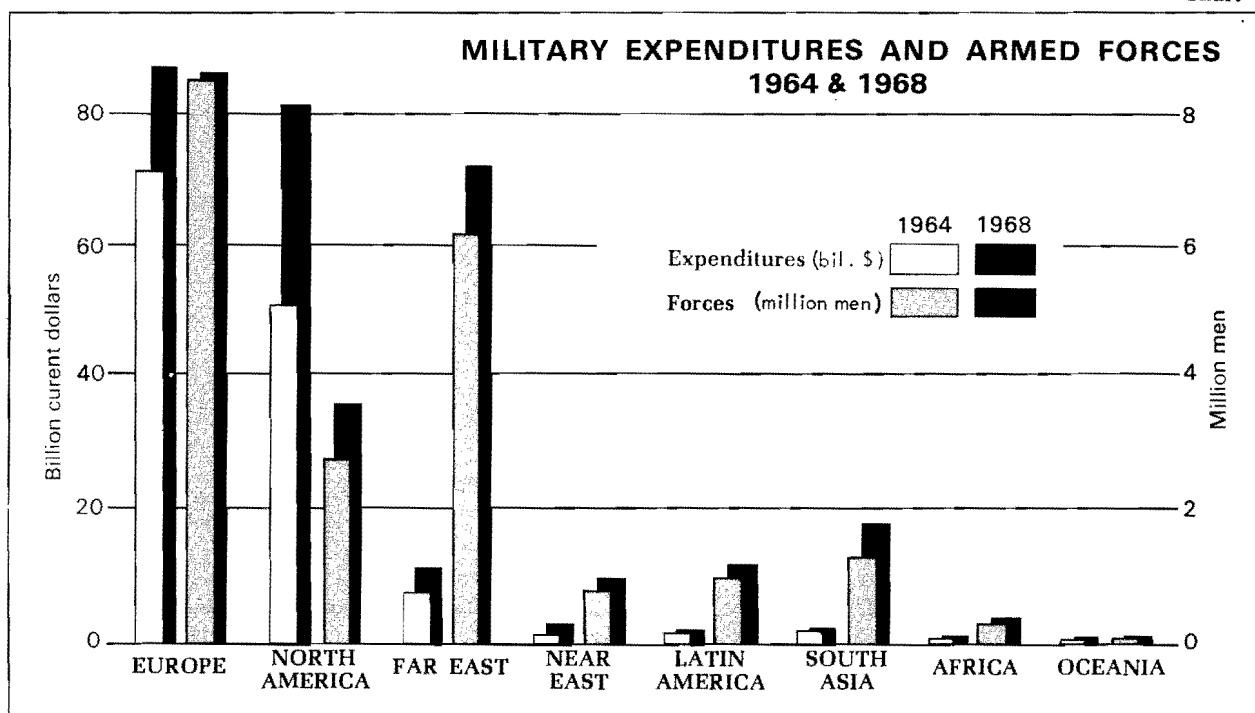
(Values in constant prices)

	World	Developed	Developing
Military expenditures	2.8	2.3	5.9
Armed forces	1.9	0.0	3.7
Total GNP	4.9	4.8	5.7
Population	2.1	1.0	2.5
Civilian GNP* per capita	3.0	4.0	3.1

*GNP less military expenditures.

Other Public Expenditures

A comparison of world military expenditures with other public expenditures such as public education, public health, and foreign economic assistance is set forth in **chart III** (page 3). Regional comparisons are shown in **chart V**, and national data may be found in statistical tables II and III. Comprehensive data on private expenditures on these civilian programs are not avail-



able. See table II, footnotes 3 and 4, for available data on private spending in individual countries.

Manpower

Following a steady upward trend between 1964 and 1968, the number of men under arms began to decline in 1969 and 1970. At year-end total armed forces numbered an estimated 23 million, about 0.5 million fewer than at the 1968 peak, although still more than 2 million higher than in 1964.

Chart VI shows the large numbers of active duty forces belonging to two of the seven geographic regions. In 1968 almost 16 million, or two-thirds, of the men under arms were in the forces of European and Far Eastern countries. North America ranked next with 3.6 million under arms, and the Near East next with 1.8 million. All regions increased forces between 1964 and 1968, the largest rise in absolute numbers being in the Far East.

Both developing and developed countries have increased military expenditures more rapidly than personnel. The trend is to larger outlays per man in uniform even when allowance is made for price rises. This rate, of course, varies widely among individual countries. **Chart VIII** (page 31), showing several indicators for the 10 major military powers, illustrates the range in expenditures per man in uniform.

In addition to the men and women serving directly in the armed forces, military-related employment remained high particularly in the industrialized countries. In Europe as a whole, manpower in the armed forces and in industries and trades related to military requirements was estimated at almost 10 percent of the economically active population. Worldwide, manpower in the armed forces and in military-related employment in 1968 was close to 60 million, a number equaling the total population of West Germany.

DEFINITIONS OF TERMS*

Gross National Product (GNP) represents an economy's total output of goods and services, valued at current market prices paid by the ultimate consumer.

Military Expenditures are current and capital expenditures to meet the needs of the armed forces, including: expenditures of national defense agencies for military programs; expenditures for the military components of such mixed activities as atomic energy, space, and research and development; military assistance to foreign countries; and expenditures on paramilitary forces where they contribute substantially to a country's military capabilities.

Foreign Economic Aid Received by developing countries comprises official bilateral grants and loans (gross of repayments) disbursed by Development Assistance Committee (DAC) countries and net aid received from multilateral agencies. (Aid received from Communist countries is shown in the world total but is not included in country or regional totals.) *Aid given* by DAC countries includes official bilateral aid and net contributions to multilateral agencies. Aid given by Communist countries represents deliveries to non-Communist developing countries only. Aid from private sources and military assistance are not included.

Public Education Expenditures include current and capital expenditures for preschool, primary, secondary, and university-level education. Wherever possible, expenditures by all levels of government are covered. Private spending is not included.

Public Health Expenditures represent current expenditures (and wherever possible, capital expenditures) by all levels of government for the provision of medical services. Private spending is not included.

Armed Forces refer to military personnel actually on duty, including paramilitary forces where these forces contribute substantially to a country's military capabilities. Reserve forces are not included.

Developing Countries, 93 in number, are the countries listed under Latin America, the Far East except Japan, South Asia and the Near East, and Africa except the Republic of South Africa, and also include, in Europe, Albania, Bulgaria, Greece, Portugal, Spain, Turkey, and Yugoslavia.

Developed Countries, 27 in number, are the countries listed under North America, Oceania, European NATO except Greece, Portugal, and Turkey, the Warsaw Pact except Bulgaria, and include Austria, Ireland, Finland, Sweden, Switzerland, Japan, and South Africa.

*For further discussion of terms as used in this report, see Statistical Notes, page 32.

STATISTICAL TABLES

Table I presents a summary of recent trends in two key indicators, military expenditures and GNP, by major groups of countries. In order to provide as current a picture as present statistical resources permit, estimates for 1969 and 1970 are included. However, since national data for the latter years are preliminary and incomplete, these estimates are subject to revision. The data in constant 1968 dollars are approximate estimates based on the use of average price and exchange rate adjustment factors for groups of countries and do not reflect adjustments by individual country.

Table II is the basic table showing a variety of data on each of 120 individual countries in 1968, the latest year for which data are available on a worldwide basis. Table III shows some of these same data expressed on a per capita basis. Historical trends by country and year, 1964-68, are presented in table IV (military expenditures and GNP) and table V (armed forces).

Table VI ranks the first 30 countries of the world in terms of six main factors of military and economic strength.

Chart VII

RELATIVE BURDEN OF MILITARY EXPENDITURES, 1968

MILITARY EXPENDITURES AS % OF GNP	GROSS NATIONAL PRODUCT PER CAPITA							
	UNDER \$100	\$100-199	\$200-299	\$300-499	\$500-999	\$1,000-1,999	\$2,000-2,999	OVER \$3,000
	OVER 10%	LAOS	UNITED ARAB REPUBLIC VIETNAM, NORTH VIETNAM, REPUBLIC OF	CHINA, REPUBLIC OF IRAQ JORDAN KOREA, NORTH	SAUDI ARABIA	ISRAEL		
	5-10%	BURMA	CAMBODIA CHINA, MAINLAND	IRAN SYRIAN ARAB REPUBLIC	ALBANIA	CUBA PORTUGAL	POLAND USSR UNITED KINGDOM	UNITED STATES
	2-5%	CHAD CONGO, KINSHASA DAHOMY ETHIOPIA HAITI INDIA INDONESIA SOMALI REPUBLIC UGANDA	BOLIVIA CAMEROON GUINEA KOREA, REPUBLIC OF MAURITANIA PAKISTAN SUDAN THAILAND YEMEN	ALGERIA CONGO, BRAZZAVILLE DOMINICAN REPUBLIC GHANA MOROCCO	BRAZIL LEBANON MALAYSIA MONGOLIA PERU TURKEY YUGOSLAVIA	CHILE GREECE SOUTH AFRICA, REPUBLIC OF SPAIN VENEZUELA	BULGARIA CZECHO-SLOVAKIA GERMANY, EAST HUNGARY ITALY NETHERLANDS ROMANIA	AUSTRALIA BELGIUM DENMARK FRANCE GERMANY, WEST NORWAY SWITZERLAND
	1-2%	AFGHANISTAN MALI TANZANIA UPPER VOLTA	CENTRAL AFRICAN REPUBLIC KENYA MALAGASY REPUBLIC NIGERIA TOGO	COLOMBIA ECUADOR EL SALVADOR GUATEMALA HONDURAS LIBERIA PARAGUAY PHILIPPINES RHODESIA SOUTHERN SENEGAL TUNISIA	GABON IVORY COAST NICARAGUA ZAMBIA	ARGENTINA CYPRUS URUGUAY	AUSTRIA FINLAND LIBYA NEW ZEALAND	LUXEMBOURG
	UNDER 1%	MALAWI NEPAL NIGER	CEYLON SIERRA LEONE	COSTA RICA GUYANA JAMAICA	MEXICO PANAMA TRINIDAD & TOBAGO	IRELAND JAPAN	ICELAND	

TABLE I.—SUMMARY TRENDS IN MILITARY EXPENDITURES AND GNP: 1964-70

	Military Expenditures							Gross National Product						
	1964	1965	1966	1967	1968	1969 est.	1970 est.	1964	1965	1966	1967	1968	1969 est.	1970 est.
TOTAL														
(Billions of Current Dollars)														
WORLD	140	144	161	180	191	199	204	1,936	2,106	2,301	2,464	2,685	2,936	3,188
Developed.....	125	127	143	160	169	175	177	1,603	1,734	1,907	2,048	2,235	2,421	2,625
Developing.....	15	17	18	20	22	24	27	333	372	394	416	450	515	563
 NATO.....	73	74	86	100	105	106	103	1,073	1,165	1,268	1,352	1,462	1,587	1,681
Warsaw Pact.....	49	51	54	57	61	66	71	397	428	466	506	553	593	655
Other.....	18	19	21	23	25	27	30	466	513	567	606	670	756	852
 Billions of Constant 1968 Dollars)														
WORLD	158	159	172	188	191	192	186	2,202	2,325	2,452	2,570	2,685	2,830	2,940
Developed.....	141	141	154	168	169	169	162	1,838	1,936	2,047	2,148	2,235	2,346	2,431
Developing.....	17	18	18	20	22	23	24	364	389	405	422	450	484	509
 NATO.....	83	82	92	105	105	102	94	1,231	1,301	1,360	1,418	1,462	1,539	1,558
Warsaw Pact.....	55	56	58	59	61	63	64	446	472	501	526	553	566	594
Other.....	20	21	22	24	25	27	28	525	552	591	626	670	725	788
 PER CAPITA														
(Current Dollars)														
WORLD	43	44	48	52	54	56	56	599	637	682	716	765	820	873
Developed.....	134	135	151	167	174	179	180	1,725	1,845	2,009	2,126	2,310	2,479	2,666
Developing.....	7	7	7	8	9	9	10	145	157	163	168	177	198	211
 NATO.....	145	146	168	193	201	201	192	2,139	2,295	2,469	2,607	2,792	3,003	3,151
Warsaw Pact.....	151	153	162	169	180	192	205	1,213	1,292	1,398	1,501	1,626	1,730	1,897
Other.....	7	8	8	9	9	10	11	194	208	224	235	253	279	307
 (Constant 1968 Dollars)														
WORLD	49	48	51	55	54	54	51	682	703	727	747	765	790	805
Developed.....	152	150	162	175	174	173	164	1,978	2,060	2,157	2,230	2,310	2,402	2,469
Developing.....	7	8	8	8	9	9	9	158	165	167	170	177	186	191
 NATO.....	165	162	180	202	201	194	177	2,455	2,563	2,648	2,734	2,792	2,911	2,921
Warsaw Pact.....	170	169	174	176	180	183	186	1,362	1,425	1,502	1,562	1,626	1,652	1,718
Other.....	8	8	9	9	9	10	10	219	224	234	242	253	268	284

TABLE II.—MILITARY EXPENDITURES AND RELATED DATA: 1968

[In current dollars] ¹

	Military expend- itures (million dollars)	Gross national product (million dollars)	Popu- lation (millions)	Relative burden		Other public expenditures				Armed forces		
				Military expend- itures as percent of GNP (%)	GNP per capita (dol- lars)	Public educa- tion ^{2,3} (million dollars)	Public health ^{2,4} (million dollars)	Foreign economic aid ⁵		Armed forces (thou- sands)	Forces (per thou- sand popu- lation)	Military expend- itures per man (dollars)
								Received (million dollars)	Given (million dollars)			
SUMMARY												
WORLD TOTAL.....	190,733	2,685,006	3,509.1	6 7.1	765	130,172	65,521	7,382	8,638	23,819	7	8,008
Developed.....	168,779	2,234,940	967.5	7.2	2,310	117,313	60,769	—	8,541	10,973	11	15,381
Developing.....	21,954	450,066	2,541.6	4.9	177	12,859	4,752	7,382	97	12,846	5	1,709
NORTH AMERICA*.....	82,379	931,800	221.9	8.8	4,199	50,815	23,788	—	4,282	3,602	16	22,870
EUROPE.....	86,888	1,185,000	725.6	6 7.3	1,633	60,318	37,051	576	3,353	8,612	12	10,089
Developed.....	83,844	1,115,700	610.6	7.5	1,827	58,745	35,552	—	3,306	6,986	11	12,002
Developing.....	3,044	69,300	115.0	4.4	603	1,573	1,499	576	47	1,626	14	1,872
LATIN AMERICA**.....	2,235	113,557	261.7	2.0	434	2,567	1,364	1,410	—	1,153	4	1,938
FAR EAST.....	12,018	281,335	1,233.8	4.3	228	11,138	889	1,551	846	7,161	6	1,678
Developed.....	1,146	141,920	101.0	.8	1,404	6,000	313	—	796	250	2	4,584
Developing.....	10,872	139,415	1,132.7	7.8	123	5,138	576	1,551	50	6,911	6	1,573
SOUTH ASIA**.....	2,155	62,090	689.2	3.5	90	1,324	403	1,721	—	1,752	3	1,230
NEAR EAST**.....	2,901	29,594	91.5	9.8	324	1,085	412	350	—	993	11	2,921
AFRICA.....	1,103	50,130	270.8	2.2	185	1,622	693	1,324	—	449	2	2,457
Developed.....	356	14,020	19.2	2.5	731	450	195	—	—	38	2	9,368
Developing.....	747	36,110	251.6	2.1	144	1,172	498	1,324	—	411	2	1,818
OCEANIA*.....	1,054	31,500	14.8	3.3	2,131	1,303	921	—	157	97	7	10,866

BY COUNTRY

WORLD TOTAL.....	190,733	2,685,006	3,509.1	7.1	765	130,172	65,521	7,382	8,638	23,819	7	8,008
NORTH AMERICA.....	82,379	931,800	221.9	8.8	4,199	50,815	23,788	—	4,282	3,602	16	22,870
United States*.....	80,596	865,700	201.2	9.3	4,304	46,400	21,382	—	4,048	3,500	17	23,027
Canada*.....	1,783	66,100	20.8	2.7	3,182	4,415	2,406	—	234	102	5	17,480
EUROPE.....	86,888	1,185,000	725.6	7.3	1,633	60,318	37,051	576	3,353	8,612	12	10,089
NATO, European.....	22,668	529,900	301.6	4.3	1,757	17,883	15,327	313	2,829	3,026	10	7,491
Belgium*.....	602	20,700	9.6	2.9	2,152	893	530	—	93	99	10	6,081
Denmark*.....	345	12,400	5.0	2.8	2,504	600	670	—	29	46	9	7,500
France*.....	6,118	126,600	49.9	4.8	2,536	3,354	292	—	980	505	10	12,115
Germany, West [†]	5,278	132,700	60.2	4.0	2,206	3,663	6,874	—	755	848	8	10,860
Greece.....	367	7,600	8.8	4.8	863	157	*90	72	—	161	18	2,280
Iceland*.....	—	500	.2	—	2,488	12	5	—	—	—	—	—
Italy*.....	2,245	74,800	52.8	3.0	1,418	2,730	696	—	257	*440	8	5,102
Luxembourg*.....	8	800	.3	1.0	2,381	29	*20	—	—	1	3	8,000
Netherlands*.....	906	25,200	12.7	3.6	1,978	1,214	973	—	139	129	10	7,023

See footnotes at end of table.

TABLE II.—MILITARY EXPENDITURES AND RELATED DATA: 1968—Continued

In current dollars¹

	Military expenditures (million dollars)	Gross national product (million dollars)	Population (millions)	Relative burden		Other public expenditures				Armed forces		
				Military expenditures as percent of GNP (%)	GNP per capita (dollars)	Public education ^{2,3} (million dollars)	Public health ^{2,4} (million dollars)	Foreign economic aid ⁵		Armed forces (thousands)	Forces (per thousand population)	Military expenditures per man (dollars)
								Received (million dollars)	Given (million dollars)			
BY COUNTRY—Continued												
NATO—Continued												
Norway*	322	9,000	3.8	3.6	2,357	403	180	—	24	35	9	9,200
Portugal	359	5,000	9.5	7.2	528	57	79	—	47	183	19	1,962
Turkey	573	11,600	33.5	4.9	346	321	139	241	—	514	15	1,115
United Kingdom*	5,545	103,000	55.3	5.4	1,863	4,450	4,779	—	505	427	8	12,986
NATO Total	105,047	1,461,700	523.5	7.2	2,792	68,698	39,117	313	7,111	6,628	13	15,849
Warsaw Pact												
Bulgaria	300	9,100	8.4	3.3	1,083	367	272	—	400	4,783	14	12,774
Czechoslovakia*	1,360	28,400	14.4	4.8	1,972	1,093	982	—	—	\$ 173	21	1,734
Germany, East*	1,450	30,800	17.1	4.7	1,801	1,031	792	—	100	\$ 265	18	5,132
Hungary*	340	13,800	10.3	2.5	1,340	580	339	—	—	\$ 196	11	7,398
										\$ 137	13	2,482
Poland*	1,950	37,400	32.3	5.2	1,158	1,643	1,396	—	—	\$ 319	10	6,113
Romania*	700	20,700	19.7	3.4	1,051	890	600	—	—	\$ 223	11	3,139
Soviet Union*	55,000	413,000	238.0	\$ (8-10)	1,735	33,000	13,900	—	300	\$ 3,470	15	15,850
Other European												
Albania	76	800	2.0	10 9.5	400	70	\$ 30	—	—	\$ 51	26	1,490
Austria*	150	11,400	7.4	1.3	1,551	402	567	—	31	50	7	3,000
Finland*	156	8,000	4.7	2.0	1,706	585	344	—	—	\$ 39	8	4,000
Ireland*	27	3,000	2.9	.9	1,031	110	\$ 114	—	—	10	3	2,700
Spain	913	25,200	32.6	3.6	773	290	\$ 403	181	—	305	9	2,993
Sweden*	977	26,300	7.9	3.7	3,322	1,486	1,070	—	72	78	10	11 12,526
Switzerland*	365	17,200	6.1	2.1	2,798	577	429	—	21	31	5	11 11,774
Yugoslavia	456	10,000	20.2	4.6	496	311	486	82	—	\$ 239	12	1,908
LATIN AMERICA**												
Argentina	380	17,111	23.6	2.2	725	346	26	15	—	\$ 144	6	2,639
Bolivia	17	786	4.4	2.2	177	25	3	52	—	18	4	944
Brazil	651	27,353	80.2	2.4	310	169	81	319	—	\$ 225	3	2,893
Chile	127	5,670	9.2	2.2	614	205	155	220	—	\$ 63	7	2,016
Colombia	98	5,638	19.8	1.7	284	111	96	170	—	\$ 55	3	1,782
Costa Rica	—	734	1.6	—	449	33	20	15	—	—	—	—
Cuba	\$ 300	\$ 5,000	7.6	10 6.0	658	281	\$ 60	1	—	\$ 394	52	761
Dominican Republic	30	1,169	4.0	2.6	295	26	\$ 14	54	—	18	5	1,667
Ecuador	26	1,475	5.7	1.8	259	35	6	28	—	17	3	1,529
El Salvador	10	930	3.2	1.1	290	24	14	10	—	6	2	1,667
Guatemala	16	1,500	5.0	1.1	299	27	34	24	—	9	2	1,778
Guyana	2	215	.7	.9	303	8	8	16	—	1	1	2,000
Haiti	7	326	5.0	2.1	65	3	4	6	—	5	1	1,400
Honduras	9	621	2.5	1.4	245	17	7	15	—	5	2	1,800
Jamaica	5	951	1.9	.5	497	22	17	28	—	2	1	2,500
Mexico	184	26,310	47.3	.7	557	504	\$ 316	210	—	70	1	2,629
Nicaragua	10	697	1.9	1.4	374	16	5	19	—	\$ 6	3	1,667
Panama	1	826	1.4	.1	602	33	16	19	—	—	—	—
Paraguay	10	511	2.2	2.0	229	9	3	23	—	13	6	769
Peru	132	4,287	12.8	3.1	336	151	\$ 51	57	—	50	4	2,640
Trinidad & Tobago	3	748	1.0	.4	726	26	19	10	—	1	1	3,000
Uruguay	23	1,589	2.8	1.4	564	\$ 61	13	21	—	13	5	1,769
Venezuela	194	9,110	9.7	2.1	941	335	396	78	—	\$ 38	4	5,105

See footnotes at end of table.

TABLE II.—MILITARY EXPENDITURES AND RELATED DATA: 1968—Continued

[In current dollars] ¹

	Military expenditures (million dollars)	Gross national product (million dollars)	Popu- lation (millions)	Relative burden		Other public expenditures				Armed forces		
				Military expenditures as percent of GNP (%)	GNP per capita (dollars)	Public education ^{2,3} (million dollars)	Public health ^{2,4} (million dollars)	Foreign economic aid ⁵		Armed forces (thousands)	Forces (per thousand population)	Military expenditures per man (dollars)
								Received (million dollars)	Given (million dollars)			
BY COUNTRY—Continued												
FAR EAST	12,018	281,335	1,233.8	4.3	228	11,138	889	1,551	846	7,161	6	1,678
Burma	107	1,883	26.4	5.7	71	53	18	22	—	138	5	775
Cambodia	65	983	6.6	6.6	150	40	7	11	—	* 84	13	774
China, Mainland	* 7,500	* 90,000	806.0	¹⁰ 8.3	112	* 4,000	* 279	—	50	* 3,100	4	2,419
China, Republic of	* 425	4,200	14.1	10.1	298	99	16	95	—	528	38	805
Indonesia	313	10,840	113.7	2.9	95	* 100	13	333	—	* 450	4	696
Japan*	1,146	141,920	101.1	.8	1,404	* 6,000	313	—	796	250	2	4,584
Korea, North	629	* 3,500	13.4	¹⁰ 18.0	261	* 100	* 11	—	—	* 410	31	1,534
Korea, Republic of	235	5,730	30.5	4.1	188	110	11	314	—	620	20	379
Laos	34	202	2.8	16.8	72	7	2	60	—	95	34	358
Malaysia	108	3,364	10.3	3.2	326	140	123	50	—	* 57	6	1,895
Mongolia	* 20	* 575	1.2	¹⁰ 3.5	479	—	* 2	—	—	* 33	28	606
Philippines	116	7,276	35.9	1.6	203	198	* 23	139	—	47	1	2,468
Thailand	157	5,512	35.1	2.8	157	168	29	79	—	167	5	940
Vietnam, North	* 550	* 2,300	19.3	¹⁰ 23.9	119	* 91	* 18	—	—	447	23	1,230
Vietnam, Republic of	613	3,050	17.4	20.1	175	32	24	448	—	735	42	834
SOUTH ASIA**	2,155	62,090	689.2	3.5	90	1,324	403	1,721	—	1,752	3	1,230
Afghanistan	16	1,370	16.1	1.2	85	6	* 9	30	—	70	4	229
Ceylon	13	1,781	12.0	.7	149	66	46	48	—	10	1	1,300
India	1,603	43,000	527.1	3.7	82	1,130	283	1,107	—	* 1,133	2	1,415
Nepal	5	800	10.7	.6	75	4	* 5	2	—	15	1	333
Pakistan	5.18	15,139	123.4	3.4	123	118	60	534	—	* 524	4	989
NEAR EAST**	2,901	29,594	91.5	9.8	324	1,085	412	350	—	993	11	2,921
Cyprus	6	438	.6	1.4	704	9	4	1	—	1	2	6,000
Iran	530	8,020	27.1	6.6	296	182	135	132	—	* 225	8	2,356
Iraq	280	2,400	8.6	11.7	278	133	28	14	—	* 92	11	3,043
Israel	672	4,042	2.7	16.6	1,472	225	57	70	—	77	28	8,727
Jordan	105	575	2.1	18.3	274	19	8	48	—	55	26	1,909
Kuwait	63	2,220	.5	2.8	4,111	87	44	14	—	7	13	9,000
Lebanon	45	1,424	2.7	3.2	519	34	8	13	—	12	4	3,750
Saudi Arabia	383	2,200	4.6	17.4	478	107	33	—15	—	* 56	12	6,839
Syrian Arab Republic	137	1,425	5.7	9.6	250	54	7	11	—	* 69	12	1,986
Yemen	* 14	550	5.0	¹⁰ 2.5	110	3	* 8	1	—	8	2	1,750
United Arab Republic	666	5,740	31.7	11.6	181	232	* 80	61	—	* 391	12	1,703
AFRICA	1,103	50,130	270.8	2.2	185	1,622	693	1,324	—	449	2	2,457
Algeria	100	3,365	12.9	3.0	260	155	59	117	—	58	4	1,724
Cameroon	19	800	5.6	2.4	143	23	11	45	—	* 5	1	3,800
Central African Republic	* 3	200	1.5	¹⁰ 1.5	134	7	3	18	—	1	1	3,000
Chad	* 8	270	3.5	¹⁰ 3.0	78	8	* 4	22	—	1	—	8,000
Congo (Brazzaville)	* 6	174	.9	¹⁰ 3.4	200	11	6	42	—	2	2	3,000
Congo (Kinshasa)	44	1,330	17.0	3.3	78	69	28	67	—	31	2	1,419
Dahomey	* 4	182	2.6	¹⁰ 2.2	71	7	5	18	—	2	1	2,000
Ethiopia	41	1,534	24.2	2.7	63	15	16	50	—	45	2	911
Gabon	3	200	.5	1.5	417	10	5	11	—	1	2	3,000
Ghana	44	1,994	8.4	2.2	238	67	16	87	—	15	2	2,933
Guinea	14	669	3.8	2.1	174	37	6	9	—	5	1	2,800
Ivory Coast	17	1,242	4.0	1.4	312	60	* 17	49	—	4	1	4,250
Kenya	15	1,330	10.2	1.1	130	22	10	61	—	3	—	5,000
Liberia	3	254	1.1	1.2	225	7	3	23	—	4	4	750
Libya	37	2,965	1.8	1.2	1,644	74	37	6	—	8	4	4,625

See footnotes at end of table.

TABLE II.—MILITARY EXPENDITURES AND RELATED DATA: 1968—Continued

[In current dollars]¹

	Military expenditures (million dollars)	Gross national product (million dollars)	Popu-lation (millions)	Relative burden		Other public expenditures				Armed forces		
				Military expenditures as percent of GNP (%)	GNP per capita (dollars)	Public educa-tion 2,3 (million dollars)	Public health 2,4 (million dollars)	Foreign economic aid 5		Armed forces (thou-sands)	Forces (per thou-sand popu-lation)	Military expend-itures per man (dollars)
								Received (million dollars)	Given (million dollars)			
BY COUNTRY—Continued												
AFRICA—Continued												
Malagasy Republic.....	13	780	7.0	1.7	111	49	15	44	—	4	1	3,250
Malawi.....	1	247	4.3	.4	58	11	4	26	—	1	—	1,000
Mali.....	5	264	4.8	1.9	55	10	4	20	—	4	1	1,250
Mauritania.....	8	172	1.1	4.7	154	4	2	8	—	1	1	8,000
Morocco.....	76	2,981	14.6	2.5	204	106	40	124	—	62	4	1,226
Niger.....	3	342	3.8	.9	90	5	3	29	—	1	—	3,000
Nigeria.....	91	6,000	53.5	1.5	112	132	83	108	—	70	1	1,300
Rhodesia, Southern.....	21	1,138	4.9	1.8	230	42	13	—3	—	5	1	4,200
Senegal.....	15	827	3.8	1.8	220	29	14	48	—	5	1	3,000
Sierra Leone.....	3	340	2.5	.9	137	9	3	11	—	2	1	1,500
Somali Republic.....	8	170	2.7	4.7	62	2	3	26	—	8	3	1,000
South Africa, Republic of*.....	356	14,020	19.2	2.5	731	450	195	—	—	38	2	9,368
Sudan.....	74	1,560	14.8	4.7	106	69	22	29	—	24	2	3,083
Tanzania.....	13	943	12.1	1.4	78	30	13	34	—	4	—	3,250
Togo.....	3	213	1.8	1.4	120	4	2	13	—	1	1	3,000
Tunisia.....	14	1,048	4.7	1.3	224	57	15	88	—	23	5	609
Uganda.....	16	994	8.1	1.6	122	15	14	20	—	6	1	2,667
Upper Volta.....	5	257	5.1	1.9	50	6	4	23	—	2	—	2,500
Zambia.....	20	1,325	4.1	1.5	326	20	18	51	—	3	1	6,667
OCEANIA.....	1,054	31,500	14.8	3.3	2,131	1,303	921	—	157	97	7	10,866
Australia*.....	968	26,600	12.0	3.6	2,211	1,132	697	—	157	84	8	11,524
New Zealand*.....	86	4,900	2.8	1.8	1,781	171	224	—	—	13	5	6,615

¹ Developed country or region. (Country without asterisk is developing.)² All countries in region are developing.³ Rough ACDA estimate.

— None or negligible.

⁴ For most countries, conversion into U.S. dollars is at official par value exchange rates as rounded by AID. For all Communist and several developing countries, estimated purchasing power parities are used. (See Conversion Rates, page 35.)⁵ Due to differences in concepts, coverage, and reliability, data on public education and health expenditures do not permit accurate comparisons between countries, or in some cases between years for the same country.⁶ Public expenditures on education in 1968 are ACDA estimates based primarily on data for 1967 or earlier. (See Education, page 34.)⁷ Information on educational expenditures which are made outside of government budgets is not available on a worldwide basis. The relative importance of these expenditures varies sharply from country to country. In the United States, private expenditures in 1968 were \$11.8 billion or 20% of the total. Private expenditures constituted the following percentages of total national expenditures in 1967 (or the indicated year), according to UNESCO estimates:

	Percent		Percent
Argentina (1966)	51	Israel (1966)	26
Australia	38	Japan	20
Canada	23	Jordan	14
Chile (1966)	28	Kenya	70
China, Republic of	29	Malawi	15
Ecuador	34	Philippines	24
El Salvador	23	Sudan	27
Ethiopia (1966)	47	Venezuela	27
Greece	39	Vietnam, Republic of (1965)	58
Guatemala	25	Zambia (1966)	73
India	44		

⁸ In Communist countries, extra-budgetary expenditures are also significant. For example, according to official data, education expenditures by state, cooperative, and trade union enterprises and collective farms in the Soviet Union make up about 13 percent of the total. Parental payments to children's institutions and schools may constitute another 6 percent.⁹ Public expenditures on health in 1968 are based in part on data for earlier years. (See Health, page 35.)¹⁰ As in educational expenditures, the portion of total health expenditures which is extra-budgetary varies greatly from country to country. Scattered information suggests that on average the private portion of health expenditures may be higher than the private portion of education expenditures. In the United States in 1968, private health expenditures amounted to \$35.2 billion, or 62 percent of total health expenditures.¹¹ In Communist countries, extra-budgetary health expenditures are made by state, cooperative, and trade union enterprises, and collective farms as well as households. In the Soviet Union, for example, they constitute about 20 percent of total health expenditures, according to official sources.¹² Economic aid given by Communist countries to non-Communist countries is included in the world total of aid received. It is not distributed by individual recipient countries or regions, however, as accurate data on such distribution are not available. (See Foreign Economic Aid, page 34.)¹³ Military expenditures and GNP are not fully comparable due to the use of different dollar conversion rates for the two variables in the Soviet Union (see footnote 9). Using the more valid ratios shown in parentheses for the Soviet Union and the Warsaw Pact total, the ratio for the world is estimated to be 6-7 percent, and for Europe, 5-6 percent.¹⁴ Includes West Berlin.¹⁵ Includes paramilitary as well as regular forces.¹⁶ The implied relationship between dollar amounts of Soviet GNP and military expenditures (or GNP and public expenditures on education and health) is not valid due to the use of different types of conversion rates for GNP and particular sectors. It is estimated that the actual ratio of military expenditures to GNP would fall somewhere within the range indicated in parentheses, the lower part of the range reflecting a comparison of military expenditures and GNP in factor-cost ruble values and the upper estimate representing dollar values converted on a comparable basis. (See Conversion Rates, page 35.)¹⁷ Since either or both military expenditures and GNP estimates are approximations, the resulting ratio should be viewed with particular caution.¹⁸ For Sweden, Switzerland, and Israel, the high rate of military expenditures per man reflects small standing forces with a capability for extremely rapid mobilization of large reserve forces.

TABLE III.—PER CAPITA MILITARY EXPENDITURES AND RELATED DATA: 1968

[In current dollars per capita]

	Military expendi- tures	Gross national product	Public education expendi- tures	Public health expendi- tures	Foreign economic aid given
SUMMARY					
WORLD	54	765	37	19	3
Developed.....	174	2,310	121	63	9
Developing.....	9	177	5	2	—
NORTH AMERICA*	371	4,199	229	107	19
EUROPE	120	1,633	83	51	5
Developed.....	137	1,827	96	58	6
Developing.....	26	603	14	13	—
LATIN AMERICA**	9	434	10	5	—
FAR EAST	10	228	9	1	1
Developed.....	11	1,404	59	3	8
Developing.....	10	123	5	1	—
SOUTH ASIA**	3	90	2	1	—
NEAR EAST**	32	324	12	5	—
AFRICA	4	185	6	3	—
Developed.....	19	731	23	10	—
Developing.....	3	144	5	2	—
OCEANIA*	71	2,131	88	67	11
BY COUNTRY					
WORLD TOTAL	54	765	37	19	3
NORTH AMERICA	371	4,199	229	107	19
United States*.....	401	4,304	231	106	20
Canada*.....	86	3,182	213	116	11
EUROPE	120	1,633	83	51	5
NATO, European.....	75	1,757	59	51	10
Belgium*.....	63	2,152	93	55	10
Denmark*.....	70	2,504	121	135	6
France*.....	123	2,536	67	6	20
Germany, West*.....	88	2,206	61	114	13
Greece.....	42	863	18	10	—
Iceland*.....	—	2,488	60	25	—
Italy*.....	43	1,418	52	13	5
Luxembourg*.....	24	2,381	86	60	—
Netherlands*.....	71	1,978	95	76	11
Norway*.....	84	2,357	106	47	6
Portugal.....	38	528	6	8	5
Turkey.....	17	346	10	4	—
United Kingdom*.....	100	1,863	80	86	9
NATO Total.....	201	2,792	131	75	14

See footnotes at end of table.

**TABLE III.—PER CAPITA MILITARY EXPENDITURES AND RELATED
DATA: 1968—Continued**

[In current dollars per capita]

	Military expendi- tures	Gross national product	Public education expendi- tures	Public health expendi- tures	Foreign economic aid given
BY COUNTRY—Continued					
EUROPE—Continued					
Warsaw Pact.....	180	1,626	113	54	1
Bulgaria.....	36	1,083	44	32	1
Czechoslovakia*.....	94	1,972	76	68	
Germany, East*.....	85	1,801	60	46	
Hungary*.....	33	1,340	56	33	
Poland*.....	60	1,158	51	43	
Romania*.....	36	1,051	45	30	1
Soviet Union*.....	231	1,735	139	58	
Other European.....	37	1,216	46	41	1
Albania.....	38	400	35	15	—
Austria*.....	20	1,551	55	77	4
Finland*.....	33	1,706	125	73	—
Ireland*.....	9	1,031	38	39	—
Spain.....	28	773	9	12	—
Sweden*.....	123	3,322	188	135	9
Switzerland*.....	59	2,798	94	70	3
Yugoslavia.....	23	496	15	24	—
LATIN AMERICA**					
Argentina.....	16	725	15	1	—
Bolivia.....	4	177	6	1	—
Brazil.....	7	310	2	1	—
Chile.....	14	614	22	17	—
Colombia.....	5	284	6	5	—
Costa Rica.....	—	449	20	12	—
Cuba.....	39	658	37	8	—
Dominican Republic.....	8	295	7	4	—
Ecuador.....	5	259	6	1	—
El Salvador.....	3	290	7	4	—
Guatemala.....	3	299	5	7	—
Guyana.....	3	303	11	11	—
Haiti.....	1	65	1	1	—
Honduras.....	4	245	7	3	—
Jamaica.....	3	497	12	9	—
Mexico.....	4	557	11	7	—
Nicaragua.....	5	374	9	3	—
Panama.....	1	602	24	12	—
Paraguay.....	4	229	4	1	—
Peru.....	10	336	12	4	—
Trinidad & Tobago.....	3	726	25	18	—
Uruguay.....	8	564	22	5	—
Venezuela.....	20	941	35	47	—
FAR EAST					
Burma.....	10	228	9	1	1
Cambodia.....	4	71	2	1	—
Cambodia.....	10	150	6	1	—
China, Mainland.....	9	112	5	—	—
China, Republic of.....	30	298	7	1	—
Indonesia.....	3	95	1	—	—
Japan*.....	11	1,404	59	3	8
Korea, North.....	47	261	7	1	—
Korea, Republic of.....	8	188	4	—	—
Laos.....	12	72	2	1	—
Malaysia.....	10	326	14	12	—

See footnotes at end of Table.

TABLE III.—PER CAPITA MILITARY EXPENDITURES AND RELATED DATA: 1968—Continued

[In current dollars per capita]

	Military expendi- tures	Gross national product	Public education expendi- tures	Public health expendi- tures	Foreign economic aid given
BY COUNTRY—Continued					
FAR EAST—Continued					
Mongolia.....	17	479	—	2	—
Philippines.....	3	203	6	1	—
Thailand.....	4	157	5	1	—
Vietnam, North.....	28	119	5	1	—
Vietnam, Republic of.....	35	175	2	1	—
SOUTH ASIA**					
Afghanistan.....	3	90	2	1	—
Ceylon.....	1	85	—	1	—
India.....	1	149	6	4	—
Nepal.....	3	82	2	1	—
Pakistan.....	1	75	—	—	—
	4	123	1	—	—
NEAR EAST**					
Cyprus.....	32	324	12	5	—
Iran.....	10	704	14	6	—
Iraq.....	20	296	7	5	—
Israel.....	32	278	15	3	—
Jordan.....	245	1,472	82	21	—
	50	274	9	4	—
Kuwait.....	117	4,111	161	81	—
Lebanon.....	16	519	12	3	—
Saudi Arabia.....	83	478	23	7	—
Syrian Arab Republic.....	24	250	9	1	—
Yemen.....	3	110	1	2	—
United Arab Republic.....	21	181	7	3	—
AFRICA					
Algeria.....	4	185	6	3	—
Cameroon.....	8	260	12	5	—
Central African Republic.....	3	143	4	2	—
Chad.....	2	134	5	2	—
Congo (Brazzaville).....	2	78	2	1	—
	7	200	13	7	—
Congo (Kinshasa).....	3	78	4	2	—
Dahomey.....	2	71	3	2	—
Ethiopia.....	2	63	1	1	—
Gabon.....	6	417	21	10	—
Ghana.....	5	238	8	2	—
Guinea.....	4	174	10	2	—
Ivory Coast.....	4	312	15	4	—
Kenya.....	1	130	2	1	—
Liberia.....	3	225	6	3	—
Libya.....	21	1,644	41	21	—
Malagasy Republic.....	2	111	7	2	—
Malawi.....	—	58	3	1	—
Mali.....	1	55	2	1	—
Mauritania.....	7	154	4	2	—
Morocco.....	1	204	7	3	—
Niger.....	1	90	1	1	—
Nigeria.....	2	112	2	2	—
Rhodesia, Southern.....	4	230	9	3	—
Senegal.....	4	220	8	4	—
Sierra Leone.....	1	137	4	1	—

See footnotes at end of table.

TABLE III.—PER CAPITA MILITARY EXPENDITURES AND RELATED DATA: 1968—Continued

(In current dollars per capita)

	Military expendi- tures	Gross national product	Public education expendi- tures	Public health expendi- tures	Foreign economic aid given
BY COUNTRY—Continued					
AFRICA—Continued					
Somali Republic.....	3	62	1	1	—
South Africa, Republic of*.....	19	731	23	10	—
Sudan.....	5	106	5	1	—
Tanzania.....	4	78	2	1	—
Togo.....	2	120	2	1	—
Tunisia.....	3	224	12	4	—
Uganda.....	2	122	2	2	—
Upper Volta.....	1	50	1	1	—
Zambia.....	5	326	5	5	—
OCEANIA.....	71	2, 131	88	67	11
Australia*.....	80	2, 211	92	58	13
New Zealand*.....	31	1, 781	62	81	—

*Developed country or region. (Country without asterisk is developing.)

**All countries in region are developing.

— None or negligible.

Note: See footnotes to Table II and Statistical Notes for descriptions and sources of data.

TABLE IV.—MILITARY EXPENDITURES AND GROSS

(Millions of

	Military expenditures						Military expenditures as percent of GNP				
	1964	1965	1966	1967	1968	Percent change, 1964-68	1964	1965	1966	1967	1968
SUMMARY											
WORLD TOTAL	139,637	143,936	160,874	180,394	190,733	36.6	7.2	6.8	7.0	7.3	7.1
Developed.....	124,488	127,031	142,997	160,328	168,779	35.6	7.8	7.4	7.5	7.8	7.6
Developing.....	15,149	16,905	17,877	20,066	21,954	44.9	4.6	4.5	4.5	4.8	4.9
NORTH AMERICA*	53,001	53,379	64,883	77,301	82,379	55.4	7.8	7.3	8.1	9.1	8.8
EUROPE	71,614	73,760	78,079	83,187	86,888	21.3	8.2	7.9	7.6	7.5	7.3
Developed.....	69,546	71,600	75,665	80,357	83,844	20.6	8.4	8.2	7.9	7.7	7.5
Developing.....	2,068	2,160	2,414	2,830	3,044	47.2	4.3	3.9	3.9	4.2	4.4
LATIN AMERICA**	1,780	1,833	2,159	2,179	2,235	25.6	2.1	2.0	2.1	2.0	2.0
FAR EAST	8,144	8,714	9,527	10,769	12,018	47.6	4.7	4.5	4.4	4.4	4.3
Developed.....	836	781	933	1,040	1,146	37.1	1.2	.9	1.0	.9	.8
Developing.....	7,308	7,933	8,594	9,729	10,872	48.8	7.0	7.2	7.2	7.5	7.8
SOUTH ASIA**	2,120	2,706	2,158	2,013	2,155	1.7	3.9	4.3	4.0	3.8	3.5
NEAR EAST**	1,381	1,665	1,869	2,596	2,901	110.1	7.2	7.4	7.6	9.5	9.8
AFRICA	867	928	1,014	1,089	1,103	27.2	2.5	2.4	2.4	2.4	2.2
Developed.....	375	320	331	370	356	5.1	3.6	3.0	2.8	2.8	2.5
Developing.....	492	608	683	719	747	51.8	2.0	2.2	2.3	2.3	2.1
OCEANIA*	730	951	1,185	1,260	1,054	44.4	2.9	3.4	3.9	4.1	3.3
BY COUNTRY											
WORLD TOTAL	139,637	143,936	160,874	180,394	190,733	36.6	7.2	6.8	7.0	7.3	7.1
NORTH AMERICA	53,001	53,379	64,883	77,301	82,379	55.4	7.8	7.3	8.1	9.1	8.8
United States*.....	51,323	51,884	63,283	75,484	80,596	57.0	8.1	7.6	8.4	9.5	9.3
Canada*.....	1,678	1,535	1,600	1,817	1,783	6.3	3.9	3.2	3.0	3.2	2.7
EUROPE	71,614	73,760	78,079	83,187	86,888	21.3	8.2	7.9	7.6	7.5	7.3
NATO, European.....	19,672	20,578	21,335	23,054	22,668	15.2	4.9	4.8	4.6	4.6	4.3
Belgium*.....	497	501	530	569	602	21.1	3.2	3.0	2.9	2.9	2.9
Denmark*.....	255	286	310	326	345	35.3	2.8	2.9	2.8	2.7	2.8
France*.....	4,918	5,125	5,300	5,856	6,118	24.4	5.6	5.5	5.2	5.1	4.8
Germany, West*.....	4,888	4,979	4,950	5,349	5,278	8.0	4.7	4.4	4.1	4.4	4.0
Greece.....	185	210	240	313	367	98.4	3.7	3.6	3.6	4.5	4.8
Iceland*.....	—	—	—	—	—	—	—	—	—	—	—
Italy*.....	1,789	1,939	2,125	2,175	2,245	25.5	3.4	3.4	3.5	3.2	3.0
Luxembourg*.....	9	10	10	8	8	-11.1	1.5	1.6	1.4	1.1	1.0
Netherlands*.....	735	750	775	884	906	23.3	4.3	3.9	3.7	3.9	3.6
Norway*.....	220	266	260	294	322	46.4	3.4	3.7	3.4	3.5	3.6
Portugal.....	229	232	240	333	359	56.8	7.4	6.3	5.9	7.2	7.2
Turkey.....	385	425	445	511	573	48.8	5.3	5.2	4.7	4.8	4.9
United Kingdom*.....	5,562	5,855	6,150	6,436	5,545	-0.3	6.0	5.9	5.8	5.8	5.4
NATO total.....	72,673	73,957	86,218	100,355	105,047	44.5	6.8	6.3	6.8	7.4	7.2

See footnotes at end of table.

NATIONAL PRODUCT: 1964-68

current dollars)

Gross national product						Percent change, 1964-68	
1964	1965	1966	1967	1968			
SUMMARY							
1,935,863	2,106,380	2,300,921	2,464,143	2,685,006	38.7	WORLD TOTAL.	
1,603,300	1,734,080	1,906,540	2,047,740	2,234,940	39.4	Developed.	
332,563	372,300	394,381	416,403	450,066	35.3	Developing.	
675,900	733,000	803,200	850,900	931,800	37.9	NORTH AMERICA.*	
872,000	933,600	1,025,300	1,105,000	1,185,000	35.9	EUROPE.	
824,200	877,900	963,300	1,037,300	1,115,700	35.4	Developed.	
47,800	55,700	62,000	67,700	69,300	45.0	Developing.	
83,610	92,458	103,580	107,080	113,557	35.8	LATIN AMERICA.**	
171,176	195,303	217,193	244,836	281,335	64.4	FAR EAST.	
68,000	84,560	97,480	115,660	141,920	108.7	Developed.	
103,176	110,743	119,713	129,176	139,415	35.1	Developing.	
54,193	62,572	54,266	53,307	62,090	14.6	SOUTH ASIA.**	
19,176	22,605	24,751	27,312	29,594	54.3	NEAR EAST.**	
35,008	38,942	42,031	44,908	50,130	43.2	AFRICA.	
10,400	10,720	11,960	13,080	14,020	34.8	Developed.	
24,608	28,222	30,071	31,828	36,110	46.7	Developing.	
24,800	27,900	30,600	30,800	31,500	27.0	OCEANIA.*	

BY COUNTRY

1,935,863	2,106,380	2,300,921	2,464,143	2,685,006	38.7	WORLD TOTAL.
675,900	733,000	803,200	850,900	931,800	37.9	NORTH AMERICA.
632,400	684,900	749,900	793,500	865,700	36.9	United States.*
43,500	48,100	53,300	57,400	66,100	52.0	Canada.*
872,000	933,600	1,025,300	1,105,000	1,185,000	35.9	EUROPE.
401,000	421,200	466,800	501,000	529,900	32.1	NATO, European.
15,300	16,800	18,100	19,500	20,700	35.3	Belgium.*
9,000	10,000	11,100	12,200	12,400	37.8	Denmark.*
88,200	93,500	101,400	115,900	126,600	43.5	France.*
103,500	112,200	119,600	121,000	132,700	28.2	Germany, West.*
5,000	5,900	6,700	7,000	7,600	52.0	Greece.
300	500	600	600	500	66.7	Iceland.*
52,600	56,700	61,400	67,000	74,800	42.2	Italy.*
600	600	700	700	800	33.3	Luxembourg.*
17,100	19,000	20,800	22,700	25,200	47.4	Netherlands.*
6,400	7,100	7,600	8,300	9,000	40.6	Norway.*
3,100	3,700	4,100	4,600	5,000	61.3	Portugal.
7,300	8,100	9,400	10,600	11,600	58.9	Turkey.
92,600	99,200	105,300	110,900	103,000	11.2	United Kingdom.*
1,073,200	1,165,300	1,267,700	1,351,900	1,461,700	36.2	NATO total.

TABLE IV.—MILITARY EXPENDITURES AND GROSS

(Millions of

	Military expenditures						Military expenditures as percent of GNP				
	1964	1965	1966	1967	1968	Percent change, 1964-68	1964	1965	1966	1967	1968
BY COUNTRY—Continued											
EUROPE—Continued											
Warsaw Pact.....	49,480	50,650	53,890	57,070	61,100	23.5	(7-9)	(7-9)	(7-9)	(7-9)	(7-9)
Bulgaria.....	280	250	260	260	300	7.1	4.5	3.7	3.5	3.2	3.3
Czechoslovakia*.....	1,380	1,410	1,450	1,340	1,360	-1.4	6.5	6.3	6.0	5.1	4.8
Germany, East*.....	680	740	770	890	1,450	113.2	2.8	2.9	2.8	3.1	4.7
Hungary*.....	320	320	280	290	340	6.3	3.1	3.0	2.4	2.3	2.5
Poland*.....	1,310	1,390	1,560	1,680	1,950	48.9	4.9	4.8	5.0	5.0	5.2
Romania*.....	510	540	570	610	700	37.3	3.6	3.5	3.3	3.2	3.4
Soviet Union*.....	45,000	46,000	49,000	52,000	55,000	22.2	(8-10)	(8-10)	(8-10)	(8-10)	(8-10)
Other European.....	2,462	2,532	2,854	3,063	3,120	26.7	3.3	3.0	3.1	3.1	3.1
Albania.....	70	70	70	69	76	8.6	10.0	10.0	10.0	9.9	9.5
Austria*.....	135	118	135	144	150	11.1	1.6	1.3	1.4	1.4	1.3
Finland*.....	105	139	141	148	156	48.6	1.6	1.7	1.6	2.1	2.0
Ireland*.....	59	33	37	39	27	-54.2	2.3	1.2	1.3	1.2	.9
Spain.....	516	577	753	948	913	76.9	2.9	2.6	3.1	3.5	3.6
Sweden*.....	826	843	924	945	977	18.3	4.8	4.4	4.3	4.0	3.7
Switzerland*.....	348	356	388	374	365	4.9	2.7	2.6	2.6	2.3	2.1
Yugoslavia.....	403	396	406	396	456	13.2	5.2	4.5	4.5	4.1	5.6
LATIN AMERICA**											
Argentina.....	R 402	R 412	R 469	R 355	380	-5.5	2.4	2.1	2.4	2.3	2.2
Bolivia.....	12	15	15	15	17	41.7	2.2	2.5	2.3	2.1	2.2
Brazil.....	R 457	R 449	R 611	R 692	651	42.5	3.2	2.3	2.5	2.5	2.4
Chile.....	R 108	R 119	R 143	R 132	127	17.6	2.1	2.1	2.3	2.1	2.2
Colombia.....	R 82	R 61	R 71	R 71	98	19.5	1.6	1.7	1.7	1.4	1.7
Costa Rica.....	—	—	—	—	—	—	—	—	—	—	—
Cuba.....	R 200	R 213	R 230	R 250	300	50.0	6.7	6.7	6.6	6.3	6.0
Dominican Republic.....	35	35	32	31	30	-14.3	3.3	3.8	3.2	2.9	2.6
Ecuador.....	21	24	28	27	26	23.8	2.0	2.1	2.3	2.0	1.8
El Salvador.....	9	9	10	10	10	11.1	1.2	1.1	1.2	1.1	1.1
Guatemala.....	11	14	15	16	16	45.5	0.9	1.1	1.1	1.1	1.1
Guyana.....	NA	NA	1	2	2	NA	NA	NA	0.5	0.9	0.9
Haiti.....	8	9	8	7	7	-12.5	2.4	2.8	2.4	2.3	2.1
Honduras.....	6	6	7	8	9	50.0	1.3	1.2	1.3	1.4	1.4
Jamaica.....	4	5	5	5	5	25.0	0.5	0.6	0.5	0.5	0.5
Mexico.....	128	134	168	168	184	47.8	0.7	0.7	0.8	0.7	0.7
Nicaragua.....	7	8	9	10	10	42.9	1.4	1.4	1.5	1.6	1.4
Panama.....	1	1	1	1	1	—	0.2	0.2	0.1	0.1	0.1
Paraguay.....	5	7	8	10	10	100.0	1.2	1.6	1.7	2.1	2.0
Peru.....	R 104	R 115	R 117	R 135	132	26.9	2.9	2.7	2.3	3.4	3.1
Trinidad & Tobago.....	5	5	5	5	3	-40.0	0.8	0.8	0.7	0.6	0.4
Uruguay.....	R 23	R 18	R 22	R 27	23	—	1.5	1.7	1.5	1.9	1.4
Venezuela.....	152	174	184	202	194	27.6	2.1	2.3	2.3	2.4	2.1
FAR EAST											
Burma.....	104	110	113	103	107	2.9	6.5	6.2	6.5	5.7	5.7
Cambodia.....	45	53	54	57	65	44.4	5.7	6.4	6.2	5.9	6.6
China, Mainland.....	5,500	6,000	6,500	7,000	7,500	36.4	7.9	8.0	8.1	8.2	8.3
China, Republic of.....	218	218	350	415	425	95.0	9.5	7.7	11.2	11.5	10.1
Indonesia.....	121	87	123	172	313	158.7	1.5	1.0	1.4	1.8	2.9
Japan*.....	836	781	933	R 1,040	1,146	37.1	1.2	.9	1.0	.9	.8
Korea, North.....	R 300	R 350	R 300	R 460	629	109.7	12.0	14.0	10.3	15.3	18.0
Korea, Republic of.....	123	113	150	184	235	91.1	4.5	5.6	3.9	4.0	4.1
Laos.....	17	27	35	35	34	100.0	10.8	15.6	18.5	18.0	16.8
Malaysia.....	90	117	121	123	108	20.0	3.3	4.0	4.0	3.9	3.2

See footnotes at end of table.

NATIONAL PRODUCT: 1964-68—Continued

current dollars)

Gross national product						Percent change, 1964-68
1964	1965	1966	1967	1968		
BY COUNTRY—Continued						
EUROPE—Continued						
397,000	427,700	466,400	505,900	553,200	39.3	Warsaw Pact
6,200	6,700	7,500	8,200	9,100	46.8	Bulgaria
21,300	22,500	24,300	26,300	28,400	33.3	Czechoslovakia*
24,200	25,700	27,200	29,100	30,800	27.3	Germany, East*
10,400	10,700	11,700	12,600	13,800	32.7	Hungary*
26,700	28,700	31,500	33,900	37,400	40.1	Poland*
14,200	15,400	17,200	18,800	20,700	45.8	Romania*
R 294,000	R 318,000	R 347,000	R 377,000	413,000	40.5	Soviet Union*
74,000	84,700	92,100	98,100	101,900	35.3	Other European
700	700	700	700	800	14.3	Albania
8,500	9,300	10,000	10,600	11,400	34.1	Austria*
6,600	8,100	8,600	7,100	8,000	21.2	Finland*
2,600	2,800	2,900	3,200	3,000	15.4	Ireland*
17,700	21,800	24,600	26,900	25,200	42.4	Spain
17,200	19,300	21,300	23,900	26,300	52.9	Sweden*
12,900	13,900	15,000	16,000	17,200	33.3	Switzerland*
7,800	8,800	9,000	9,700	10,000	5.1	Yugoslavia
83,610	92,458	103,580	107,080	113,557	35.8	LATIN AMERICA.**
R 16,793	R 19,182	R 19,320	R 15,568	17,111	1.9	Argentina.
536	606	661	712	786	46.6	Bolivia.
R 14,317	R 19,264	R 23,975	R 27,197	27,353	91.1	Brazil.
R 5,265	R 5,601	R 6,139	R 6,317	5,670	7.7	Chile.
R 5,047	R 3,636	R 4,270	R 5,034	5,638	11.7	Colombia.
549	581	624	671	734	33.7	Costa Rica.
R 3,000	R 3,200	R 3,500	R 4,000	5,000	66.7	Cuba.
1,072	918	1,012	1,068	1,169	9.1	Dominican Republic.
1,052	1,124	1,238	1,350	1,475	40.2	Ecuador.
741	790	837	882	930	25.5	El Salvador.
1,277	1,316	1,375	1,416	1,500	17.5	Guatemala.
NA	NA	220	230	215	NA	Guyana.
330	327	334	300	326	-1.2	Haiti.
466	512	545	577	621	33.3	Honduras.
823	889	946	994	951	15.6	Jamaica.
17,968	19,416	21,768	24,112	26,310	46.4	Mexico.
485	573	600	641	697	43.7	Nicaragua.
572	630	698	773	826	44.4	Panama.
401	436	460	477	511	27.4	Paraguay.
R 3,542	R 4,213	R 4,996	R 3,997	4,287	21.0	Peru.
600	600	672	816	748	24.7	Trinidad & Tobago.
R 1,559	R 1,069	R 1,455	R 1,433	1,589	1.9	Uruguay.
7,215	7,575	7,935	8,515	9,110	26.3	Venezuela.
171,176	195,303	217,193	244,836	281,335	64.4	FAR EAST.
1,610	1,760	1,740	1,803	1,883	17.0	Burma.
785	830	875	962	983	25.2	Cambodia.
70,000	75,000	80,000	85,000	90,000	28.6	China, Mainland.
2,290	2,828	3,138	3,602	4,200	83.4	China, Republic of.
8,000	8,500	9,000	9,600	10,840	35.5	Indonesia.
68,000	84,560	97,480	115,660	141,920	108.7	Japan.*
2,500	2,500	2,900	3,000	3,500	40.0	Korea, North.
2,745	2,901	3,822	4,612	5,730	108.7	Korea, Republic of.
158	173	189	194	202	27.8	Laos.
2,733	2,890	3,056	3,176	3,364	23.1	Malaysia.

TABLE IV.—MILITARY EXPENDITURES AND GROSS

(Millions of

	Military expenditures						Military expenditures as percent of GNP				
	1964	1965	1966	1967	1968	Percent change, 1964-68	1964	1965	1966	1967	1968
BY COUNTRY—Continued											
FAR EAST—Continued											
Mongolia.....	R 15	R 15	R 15	R 20	20	33.3	3.0	3.0	2.9	3.6	3.5
Philippines.....	72	76	84	108	116	61.1	1.5	1.5	1.5	1.7	1.6
Thailand.....	86	84	97	133	157	82.6	2.6	2.2	2.1	2.6	2.8
Vietnam, North.....	R 350	R 425	R 350	500	550	57.1	19.4	22.4	17.5	23.8	23.9
Vietnam, Republic of.....	267	258	302	419	613	129.6	14.1	13.6	14.5	14.1	20.1
SOUTH ASIA**	2,120	2,706	2,158	2,013	2,155	1.7	3.9	4.3	4.0	3.8	3.5
Afghanistan.....	13	23	15	16	16	23.1	1.2	1.8	1.1	1.2	1.2
Ceylon.....	15	13	14	15	13	-13.4	1.2	1.0	.8	.8	.7
India.....	1,800	2,077	R 1,641	1,486	1,603	-11.0	4.4	4.3	4.4	4.1	3.7
Nepal.....	5	5	R 5	R 4	5	—	.8	.7	.6	.5	.6
Pakistan.....	287	588	483	492	518	80.5	2.8	5.3	3.7	3.6	3.4
NEAR EAST**	1,381	1,665	1,869	2,596	2,901	110.1	7.2	7.4	7.6	9.5	9.8
Cyprus.....	8	9	8	9	6	-25.0	2.3	2.2	1.8	1.9	1.4
Iran.....	233	296	328	418	530	127.5	4.6	5.0	5.1	5.6	6.6
Iraq.....	140	197	207	268	280	100.0	7.8	10.3	9.3	12.0	11.7
Israel.....	372	413	400	R 584	672	80.6	12.0	12.2	10.5	14.6	16.6
Jordan.....	59	60	61	77	105	78.0	14.4	13.0	11.7	13.4	18.3
Kuwait.....	20	31	55	55	63	215.0	1.7	2.0	3.2	3.0	2.8
Lebanon.....	26	30	38	40	45	73.1	3.3	2.7	3.0	3.0	3.2
Saudi Arabia.....	113	131	202	341	383	238.9	9.1	8.6	12.1	17.1	17.4
Syrian Arab Republic.....	100	95	97	125	137	37.0	11.9	8.4	8.8	11.1	9.6
Yemen.....	10	11	12	13	14	40.0	2.7	2.2	2.3	2.5	2.5
United Arab Republic.....	300	392	461	666	666	122.0	7.4	8.3	9.1	11.7	11.6
AFRICA	867	928	1,014	1,089	1,103	27.2	2.5	2.4	2.4	2.4	2.2
Algeria.....	70	100	100	100	100	42.9	3.2	3.8	3.8	3.3	3.0
Cameroon.....	17	15	16	18	19	11.8	4.3	2.2	2.2	2.3	2.4
Central African Rep.....	2	3	3	3	3	50.0	1.7	2.5	1.6	1.6	1.5
Chad.....	2	3	5	8	8	300.0	1.0	1.3	2.0	3.0	3.8
Congo (Brazzaville).....	5	5	7	6	6	20.0	5.0	4.2	5.0	3.8	4.0
Congo (Kinshasa).....	R 12	R 31	R 32	37	44	266.7	.9	2.4	2.5	2.8	3.3
Dahomey.....	4	4	4	4	4	—	2.5	2.4	2.4	2.2	2.1
Ethiopia.....	22	30	34	37	41	86.4	2.2	2.6	2.3	2.4	2.7
Gabon.....	2	3	3	3	3	50.0	2.1	2.3	2.0	1.7	1.5
Ghana.....	39	R 42	R 43	R 48	44	12.8	2.3	1.9	2.5	2.8	2.2
Guinea.....	5	11	13	14	14	180.0	2.3	4.3	4.5	4.5	2.1
Ivory Coast.....	11	13	13	17	17	54.5	1.4	1.3	1.3	1.6	1.4
Kenya.....	8	8	12	15	15	87.5	1.0	.9	1.1	1.3	1.1
Liberia.....	2	3	3	3	3	50.0	1.2	1.4	1.3	1.3	1.2
Libya.....	17	28	27	30	37	117.6	2.2	2.7	2.1	1.9	1.2
Malagasy Republic.....	9	11	11	12	13	44.4	1.7	1.9	1.7	1.6	1.7
Malawi.....	R —	1	1	R 1	1	NA	*	.5	.5	.4	.4
Mali.....	9	10	5	5	5	-44.5	4.1	4.3	2.1	2.0	1.9
Mauritania.....	2	2	4	6	8	300.0	1.7	1.5	2.8	3.9	4.7
Morocco.....	113	103	103	75	76	-32.8	4.7	4.0	4.2	2.8	2.5
Niger.....	5	6	3	3	3	-40.0	2.0	2.4	1.1	1.0	1.0
Nigeria.....	48	66	66	89	91	89.6	1.2	1.4	1.2	1.7	1.5
Rhodesia, Southern.....	8	10	15	19	21	162.5	.9	1.0	1.5	1.8	1.8
Senegal.....	11	15	15	15	15	36.4	1.6	2.2	2.1	1.9	1.8
Sierra Leone.....	2	3	3	3	3	50.0	.7	.9	.8	.8	.9

See footnotes at end of table.

NATIONAL PRODUCT: 1964-68—Continued

current dollars)

Gross national product						Percent change, 1964-68
1964	1965	1966	1967	1968		
BY COUNTRY—Continued						
500	500	R 525	R 550	575	15.0	FAR EAST—Con.
4,825	5,198	5,728	6,519	7,276	50.8	Mongolia.
3,330	3,854	4,654	5,078	5,512	65.5	Philippines.
1,800	1,900	2,000	2,100	2,300	27.8	Thailand.
1,900	1,900	2,086	2,980	3,050	60.5	Vietnam, North.
						Vietnam, Republic of.
54,193	62,572	54,266	53,307	62,090	14.6	SOUTH ASIA.**
1,100	1,250	1,355	1,340	1,370	24.5	Afghanistan.
R 1,300	R 1,319	R 1,750	R 1,902	1,781	37.0	Ceylon.
R 1,071	R 48,235	R 37,375	R 36,267	43,000	-4.7	India.
603	736	772	794	800	32.7	Nepal.
10,119	11,032	R 13,014	R 13,798	15,139	49.6	Pakistan.
19,176	22,605	24,751	27,312	29,594	54.3	NEAR EAST.**
350	417	440	469	438	25.1	Cyprus.
5,030	5,947	6,423	7,495	8,020	59.4	Iran.
1,785	1,909	2,235	2,240	2,400	34.5	Iraq.
3,111	3,397	3,822	4,005	4,042	29.9	Israel.
410	462	520	575	575	40.2	Jordan.
1,200	1,518	1,700	1,860	2,220	85.0	Kuwait.
785	1,120	1,250	R 1,325	1,424	81.4	Lebanon.
1,240	1,521	1,670	2,000	2,200	77.4	Saudi Arabia.
840	1,125	1,101	1,130	1,425	69.6	Syrian Arab Republic.
375	489	515	520	550	46.7	Yemen.
4,050	4,700	5,075	5,693	5,740	41.7	United Arab Republic.
35,008	38,942	42,031	44,908	50,130	43.2	AFRICA.
2,200	2,630	2,662	3,000	3,365	53.0	Algeria.
400	670	720	775	800	100.0	Cameroon.
20	122	183	190	200	66.7	Central African Rep.
200	240	250	270	270	-35.0	Chad.
100	120	140	160	174	74.0	Congo (Brazzaville).
1,375	1,273	1,300	1,332	1,330	-3.3	Congo (Kinshasa).
160	165	170	180	182	18.8	Dahomey.
982	1,171	1,484	1,551	1,534	56.2	Ethiopia.
95	130	150	180	200	110.5	Gabon.
1,675	2,207	1,743	1,734	1,994	19.0	Ghana.
215	257	290	310	669	211.2	Guinea.
760	963	1,020	1,071	1,242	63.4	Ivory Coast.
829	846	1,114	1,181	1,330	60.4	Kenya.
170	213	226	240	254	49.4	Liberia.
782	1,038	1,300	1,580	2,965	279.2	Libya.
533	578	665	730	780	46.3	Malagasy Republic.
R 200	R 211	R 216	R 228	247	23.5	Malawi.
R 220	R 230	R 240	R 250	264	20.0	Mali.
120	130	145	155	172	41.7	Mauritania.
R 2,424	R 2,548	R 2,475	R 2,655	2,981	23.0	Morocco.
245	250	270	300	342	22.4	Niger.
4,120	4,852	5,450	5,340	6,000	45.6	Nigeria.
920	1,022	997	1,074	1,138	23.7	Rhodesia, Southern.
700	680	716	790	827	18.1	Senegal.
300	340	370	380	340	13.3	Sierra Leone.

TABLE IV.—MILITARY EXPENDITURES AND GROSS

(Millions of

	Military expenditures						Military expenditures as percent of GNP				
	1964	1965	1966	1967	1968	Percent change, 1964-68	1964	1965	1966	1967	1968
BY COUNTRY—Continued											
AFRICA—Continued											
Somali Republic.....	R 5	R 5	7	R 7	8	60.0	3.4	3.3	4.5	4.4	4.7
So. Africa, Rep. of*.....	375	320	331	370	356	—5.1	3.6	3.0	2.8	2.8	2.5
Sudan.....	30	33	R 63	R 71	74	124.2	2.3	2.4	4.3	4.6	4.7
Tanzania.....	3	6	8	12	13	333.3	.4	.8	.9	1.3	1.4
Togo.....	3	3	3	3	3	—	2.1	1.9	1.6	1.5	1.4
Tunisia.....	7	14	17	14	14	100.0	.8	1.5	1.8	1.4	1.3
Uganda.....	7	9	20	15	16	128.6	.9	1.1	2.2	1.6	1.6
Upper Volta.....	3	3	4	5	5	66.7	1.2	1.2	1.6	2.0	1.9
Zambia.....	9	9	20	21	20	122.2	1.5	1.1	2.0	1.8	1.5
OCEANIA	730	951	1,185	1,260	1,054	44.4	2.9	3.4	3.9	4.1	3.3
Australia*.....	640	838	1,065	1,155	968	51.3	3.1	3.7	4.2	4.6	3.6
New Zealand*.....	90	113	120	105	86	—4.5	2.0	2.2	2.2	1.9	1.8

*Developed country or region. (Country without asterisk is developing.)

** All countries in region are developing.

— None or negligible

R Revised from previous report.

NA Not applicable.

Note.—See footnotes to Table II and Statistical Notes for description and sources of data.

NATIONAL PRODUCT: 1964-68—Continued

current dollars)

Gross national product					
1964	1965	1966	1967	1968	Percent change, 1964-68

BY COUNTRY—Continued

						AFRICA—Continued
R 145	150	155	R 160	170	17.2	Somali Republic.
10,400	10,720	11,960	13,080	14,020	34.8	So. Africa, Rep. of.*
1,285	1,387	1,457	1,554	1,560	21.4	Sudan.
715	750	860	898	943	31.9	Tanzania.
140	156	190	205	213	52.1	Togo.
853	936	939	R 973	1,048	22.9	Tunisia.
R 770	R 854	R 910	R 952	994	29.1	Uganda.
250	257	R 250	253	257	2.8	Upper Volta.
605	846	R 1,014	1,177	1,325	119.0	Zambia.
24,800	27,900	30,600	30,800	31,500	27.0	OCEANIA.
20,400	22,700	25,100	25,200	26,600	30.4	Australia.*
4,400	5,200	5,500	5,600	4,900	11.4	New Zealand.*

TABLE V.—ARMED FORCES: 1964-68

[In thousands]

	1964	1965	1966	1967	1968	Percent change 1964-68
SUMMARY						
WORLD TOTAL	20,971	21,231	21,844	22,978	23,819	13.6
Developed.....	10,118	10,156	10,544	10,896	10,973	8.5
Developing.....	10,853	11,075	11,300	12,082	12,846	18.4
NORTH AMERICA*	2,810	2,780	3,201	3,503	3,602	28.2
EUROPE	8,524	8,604	8,569	8,563	8,612	1.0
Developed.....	6,973	7,021	6,985	7,020	6,986	.2
Developing.....	1,551	1,583	1,584	1,543	1,626	4.8
LATIN AMERICA**	1,017	1,067	1,073	1,083	1,153	13.4
FAR EAST	6,190	6,243	6,358	6,810	7,161	15.7
Developed.....	244	246	246	246	250	2.5
Developing.....	5,946	5,997	6,112	6,564	6,911	16.2
SOUTH ASIA**	1,297	1,301	1,363	1,580	1,752	35.1
NEAR EAST**	766	834	866	965	993	29.6
AFRICA	302	320	332	381	449	48.7
Developed.....	26	27	30	34	38	46.2
Developing.....	276	293	302	347	411	48.9
OCEANIA*	65	82	82	93	97	49.2
BY COUNTRY						
WORLD TOTAL	20,971	21,231	21,844	22,978	23,819	13.6
NORTH AMERICA	2,810	2,780	3,201	3,503	3,602	28.2
United States*.....	2,690	2,660	3,094	3,400	3,500	30.1
Canada*.....	120	120	107	103	102	-15.0
EUROPE	8,524	8,604	8,569	8,563	8,612	1.0
NATO, European.....	3,063	3,052	3,011	2,995	3,026	-1.2
Belgium*.....	110	107	107	102	99	-10.0
Denmark*.....	52	51	50	46	46	-11.5
France*.....	620	557	523	520	505	-18.5
Germany, West* ¹	458	466	470	490	486	6.1
Greece.....	162	160	159	158	161	-.6
Iceland*.....	—	—	—	—	—	—
Italy* ¹	480	470	471	455	440	-8.3
Luxembourg*.....	6	6	2	1	1	-83.3
Netherlands*.....	124	135	129	130	129	4.0
Norway*.....	37	32	34	35	35	-5.4
Portugal.....	109	148	148	149	183	67.9
Turkey.....	480	480	480	480	514	7.1
United Kingdom*.....	425	440	438	429	427	.5
NATO Total	5,873	5,832	6,212	6,498	6,628	12.9

See footnotes at end of table.

TABLE V.—ARMED FORCES: 1964-68—Continued

[In thousands]

	1964	1965	1966	1967	1968	Percent change 1964-68
BY COUNTRY—Continued						
EUROPE—Continued						
Warsaw Pact.....	4,619	4,723	4,733	4,778	4,783	3.6
Bulgaria ¹	165	167	171	171	173	4.8
Czechoslovakia ¹	270	270	255	265	265	-1.9
Germany, East* ¹	176	182	192	197	196	11.4
Hungary* ¹	139	144	144	137	137	-1.4
Poland* ¹	317	322	325	315	319	.6
Romania* ¹	282	258	251	223	223	-20.9
Soviet Union* ¹	3,270	3,380	3,395	3,470	3,470	6.1
Other European.....	842	829	825	790	803	4.6
Albania ¹	51	51	52	51	51	—
Austria*.....	42	42	44	47	50	19.1
Finland* ¹	46	46	46	45	39	-15.2
Ireland*.....	8	8	9	10	10	25.0
Spain.....	335	330	291	275	305	-9
Sweden*.....	80	74	69	72	78	-2.5
Switzerland*.....	31	31	31	31	31	—
Yugoslavia ¹	249	247	283	259	239	-4.0
LATIN AMERICA**						
Argentina ¹	130	132	133	144	144	10.8
Bolivia.....	17	15	15	20	18	5.9
Brazil ¹	191	220	220	225	225	17.8
Chile ¹	64	65	66	63	63	-1.6
Colombia ¹	55	56	56	55	55	—
Costa Rica.....	—	—	—	—	—	—
Cuba ¹	290	316	321	321	394	35.9
Dominican Republic.....	19	19	19	19	18	-5.3
Ecuador.....	21	19	19	17	17	19.1
El Salvador.....	6	6	6	6	6	—
Guatemala.....	8	9	9	9	9	12.5
Guyana.....	1	1	1	1	1	—
Haiti.....	5	5	5	5	5	—
Honduras.....	6	5	5	5	5	-16.7
Jamaica.....	2	2	2	2	2	—
Mexico.....	66	68	69	70	70	6.1
Nicaragua ¹	5	6	6	6	6	20.0
Panama.....	—	—	—	—	—	—
Paraguay.....	17	17	15	13	13	-23.5
Peru.....	49	50	50	50	50	2.0
Trinidad & Tobago.....	1	1	1	1	1	—
Uruguay.....	18	17	17	13	13	-27.8
Venezuela ¹	36	38	38	38	38	5.6
FAR EAST						
Burma.....	109	110	110	137	138	26.6
Cambodia ¹	75	76	83	83	84	12.0
China, Mainland ¹	2,750	2,750	2,800	3,000	3,100	12.7
China, Republic of.....	600	524	544	547	528	-12.0
Indonesia ¹	412	412	372	372	450	9.2
Japan*.....	244	246	246	246	250	2.5
Korea, North ¹	362	378	383	383	410	13.3
Korea, Republic of.....	600	604	572	612	620	3.3
Laos.....	60	55	85	80	95	58.3
Malaysia ¹	49	52	53	56	57	16.3

See footnotes at end of table.

TABLE V.—ARMED FORCES: 1964-68—Continued

[In thousands]

	1964	1965	1966	1967	1968	Percent change 1964-68
BY COUNTRY—Continued						
FAR EAST—Continued						
Mongolia ¹	30	30	32	33	33	10.0
Philippines.....	58	53	54	47	47	-19.0
Thailand.....	85	132	151	151	167	96.5
Vietnam, North.....	256	256	256	418	447	74.6
Vietnam, Republic of.....	500	565	617	645	735	47.0
SOUTH ASIA**	1,297	1,301	1,363	1,580	1,752	35.1
Afghanistan.....	100	90	90	75	70	-30.0
Ceylon.....	10	10	10	10	10	—
India ¹	914	914	920	1,077	1,133	24.0
Nepal.....	20	20	20	15	15	-25.0
Pakistan ¹	253	267	323	403	524	107.1
NEAR EAST**	766	834	866	965	993	29.6
Cyprus.....	1	1	1	1	1	—
Iran ¹	208	206	225	225	225	8.2
Iraq ¹	92	91	91	92	92	—
Israel.....	65	67	68	71	77	18.5
Jordan.....	38	40	40	50	55	44.7
Kuwait.....	1	1	3	6	7	600.0
Lebanon.....	10	12	12	12	12	20.0
Saudi Arabia ¹	41	50	50	54	56	36.6
Syrian Arab Republic ¹	58	64	64	68	69	19.0
Yemen.....	2	2	2	6	8	300.0
United Arab Republic ¹	250	300	310	380	391	56.4
AFRICA	302	320	332	381	449	48.7
Algeria.....	47	48	50	58	58	23.4
Cameroon ¹	5	5	5	6	5	—
Central African Republic.....	—	1	1	1	1	NA
Chad.....	—	—	—	1	1	NA
Congo, Brazzaville.....	1	1	2	2	2	100.0
Congo, Kinshasa.....	28	30	30	31	31	10.7
Dahomey.....	1	1	1	2	2	100.0
Ethiopia.....	35	35	35	43	45	28.6
Gabon.....	—	1	1	1	1	NA
Ghana.....	10	10	12	15	15	50.0
Guinea.....	5	5	5	5	5	—
Ivory Coast.....	4	4	4	4	4	—
Kenya.....	3	3	3	3	3	—
Liberia.....	3	4	4	4	4	33.3
Libya.....	8	8	8	8	8	—
Malagasy Republic.....	3	3	3	4	4	33.3
Malawi.....	—	1	1	1	1	NA
Mali.....	3	3	3	4	4	33.3
Mauritania.....	—	1	1	1	1	NA
Morocco ¹	51	53	53	58	62	21.6
Niger.....	—	1	1	1	1	NA
Nigeria.....	8	9	9	20	70	775.0
Rhodesia, Southern.....	5	5	5	4	5	—
Senegal.....	4	4	4	5	5	25.0
Sierra Leone.....	2	2	2	2	2	—

See footnotes at end of table.

TABLE V.—ARMED FORCES: 1964-68—Continued

[In thousands]

	1964	1965	1966	1967	1968	Percent Change 1964-68
BY COUNTRY—Continued						
AFRICA—Continued						
Somali Republic.....	5	6	8	8	8	60.0
South Africa, Republic of*.....	26	27	30	34	38	46.2
Sudan.....	18	18	18	18	24	33.3
Tanzania.....	2	2	3	4	4	100.0
Togo.....	1	1	1	1	1	—
Tunisia ¹	20	21	21	23	23	15.0
Uganda.....	3	3	4	6	6	100.0
Upper Volta.....	—	1	1	1	2	NA
Zambia.....	1	3	3	3	3	200.0
OCEANIA.....						
Australia*.....	65	82	82	93	97	49.2
New Zealand*.....	52	69	69	80	84	61.5
	13	13	13	13	13	—

*Developed country or region. (Country without asterisk is developing.)

**All countries in region are developing.

— None or negligible.

NA Not applicable.

¹ Includes paramilitary as well as regular forces.

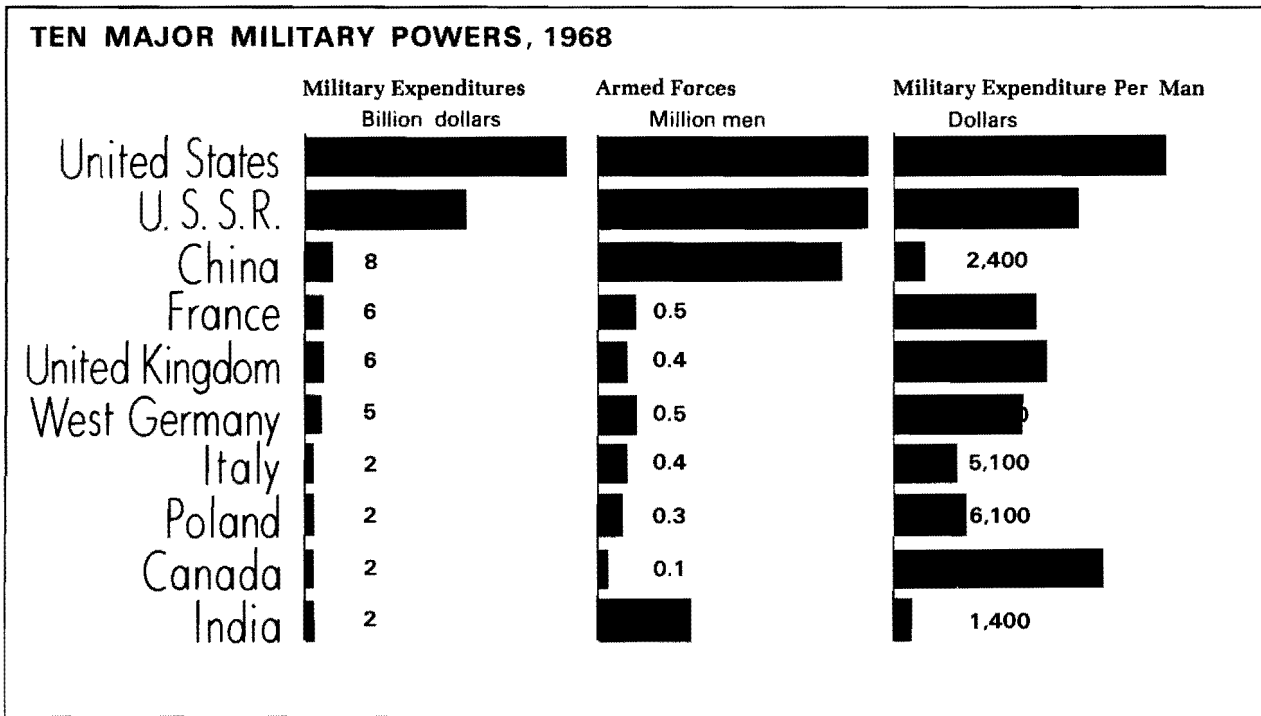
**TABLE VI.—MILITARY AND ECONOMIC RANKING OF COUNTRIES:
1968**

RANK	MILITARY STRENGTH		
	Military expenditures (billion dollars)	Armed forces (thousands)	Expenditures per man (dollars)
1	United States..... 80.60	United States..... 3,500	United States..... 23,027
2	Soviet Union..... 55.00	Soviet Union..... 3,470	Canada..... 17,480
3	Mainland China..... 7.50	Mainland China..... 3,100	Soviet Union..... 15,850
4	France..... 6.12	India..... 1,133	United Kingdom..... 12,986
5	United Kingdom..... 5.54	Rep. of Vietnam..... 735	Sweden..... 12,526
6	West Germany..... 5.28	Rep. of Korea..... 620	France..... 12,115
7	Italy..... 2.24	Rep. of China..... 528	Switzerland..... 11,774
8	Poland..... 1.95	Pakistan..... 524	Australia..... 11,524
9	Canada..... 1.78	Turkey..... 514	West Germany..... 10,860
10	India..... 1.60	France..... 505	Rep. of South Africa..... 9,368
11	East Germany..... 1.45	West Germany..... 486	Norway..... 9,200
12	Czechoslovakia..... 1.36	Indonesia..... 450	Kuwait..... 9,000
13	Japan..... 1.15	North Vietnam..... 447	Israel..... 8,727
14	Sweden..... 0.98	Italy..... 440	Mauritania..... 8,000
15	Australia..... 0.97	United Kingdom..... 427	Chad..... 8,000
16	Spain..... 0.91	North Korea..... 410	Denmark..... 7,500
17	Netherlands..... 0.91	Cuba..... 394	East Germany..... 7,398
18	Romania..... 0.70	United Arab Rep..... 391	Netherlands..... 7,023
19	Israel..... 0.67	Poland..... 319	Saudi Arabia..... 6,839
20	United Arab Rep..... 0.67	Spain..... 305	Zambia..... 6,667
21	Brazil..... 0.65	Czechoslovakia..... 265	New Zealand..... 6,615
22	North Korea..... 0.63	Japan..... 250	Poland..... 6,113
23	Rep. of Vietnam..... 0.61	Yugoslavia..... 239	Belgium..... 6,081
24	Belgium..... 0.60	Brazil..... 225	Cyprus..... 6,000
25	Turkey..... 0.57	Iran..... 225	Czechoslovakia..... 5,132
26	North Vietnam..... 0.55	Romania..... 223	Venezuela..... 5,105
27	Iran..... 0.53	East Germany..... 196	Italy..... 5,102
28	Pakistan..... 0.52	Portugal..... 183	Kenya..... 5,000
29	Yugoslavia..... 0.46	Bulgaria..... 173	Libya..... 4,625
30	Rep. of China..... 0.42	Thailand..... 167	Japan..... 4,584

RANK	ECONOMIC STRENGTH		
	Gross national product (billion dollars)	Population (millions)	GNP per capita (dollars)
1	United States..... 865.7	Mainland China..... 806.0	United States..... 4,304
2	Soviet Union..... 413.0	India..... 527.1	Kuwait..... 4,111
3	Japan..... 141.9	Soviet Union..... 238.0	Sweden..... 3,322
4	West Germany..... 132.7	United States..... 201.2	Canada..... 3,182
5	France..... 126.6	Pakistan..... 123.4	Switzerland..... 2,798
6	United Kingdom..... 103.0	Indonesia..... 113.7	France..... 2,536
7	Mainland China..... 90.0	Japan..... 101.1	Denmark..... 2,504
8	Italy..... 74.8	Brazil..... 80.2	Iceland..... 2,488
9	Canada..... 66.1	West Germany..... 60.2	Luxembourg..... 2,381
10	India..... 43.0	United Kingdom..... 55.3	Norway..... 2,357
11	Poland..... 37.4	Nigeria..... 53.5	Australia..... 2,211
12	East Germany..... 30.8	Italy..... 52.8	West Germany..... 2,206
13	Czechoslovakia..... 28.4	France..... 49.9	Belgium..... 2,152
14	Brazil..... 27.4	Mexico..... 47.3	Netherlands..... 1,978
15	Australia..... 26.6	Philippines..... 35.9	Czechoslovakia..... 1,972
16	Mexico..... 26.3	Thailand..... 35.1	United Kingdom..... 1,863
17	Sweden..... 26.3	Turkey..... 33.5	East Germany..... 1,801
18	Netherlands..... 25.2	Spain..... 32.6	New Zealand..... 1,781
19	Spain..... 25.2	Poland..... 32.3	Soviet Union..... 1,735
20	Belgium..... 20.7	United Arab Rep..... 31.7	Finland..... 1,706
21	Romania..... 20.7	Rep. of Korea..... 30.5	Libya..... 1,644
22	Switzerland..... 17.2	Iran..... 27.1	Austria..... 1,551
23	Argentina..... 17.1	Burma..... 26.4	Israel..... 1,472
24	Pakistan..... 15.1	Ethiopia..... 24.2	Italy..... 1,418
25	Rep. of South Africa..... 14.0	Argentina..... 23.6	Japan..... 1,404
26	Hungary..... 13.8	Canada..... 20.8	Hungary..... 1,340
27	Denmark..... 12.4	Yugoslavia..... 20.2	Poland..... 1,158
28	Turkey..... 11.6	Colombia..... 19.8	Bulgaria..... 1,083
29	Austria..... 11.4	Romania..... 19.7	Romania..... 1,051
30	Indonesia..... 10.8	North Vietnam..... 19.3	Ireland..... 1,031

Note.—See footnotes to Table II and Statistical Notes for description and sources of data.

Chart VIII



STATISTICAL NOTES

Since a major purpose of this report is to compile worldwide and regional totals of military spending and to provide a basis for comparison with other economic information, coverage was made as broad as possible. In doing so it was often necessary to include national data representing approximate estimates. It is believed that worldwide and regional totals adequately show orders of magnitude and can be viewed with some confidence. For some individual countries, however, particularly those with national statistical systems in early stages of development or those having a policy of limited disclosure of data, considerable allowance should be made for imprecise statistics.

Limitations on the accuracy of the data originate in numerous factors. For example, elements of national production, particularly in a developing country, may escape measurement in gross national product; military programs may draw from several parts of national budgets; social service expenditures are undertaken by various levels of government and are not always reported consistently; conversion of national currencies into dollars is unavoidably somewhat inexact.

The comparability of national data is also affected by national differences in economic concepts and organization. The public versus private shares in the support of national programs vary significantly among countries. In planned-economy countries, the share of public support through national budgets tends to be larger than in market-economy countries. In some countries, religious or other nongovernmental organizations provide services analogous to those provided by governments in other countries.

The data presented here for non-Communist countries have been obtained in large part from statistical materials prepared by the U.S. Agency for International Development (AID). AID compiles population, gross national product, military expenditures, and other public expenditure data for most non-Communist countries. These

materials are contained in AID's economic data books for various regions and individual countries, as well as in other special purpose AID publications and compilations. The considerable effort made by AID to adjust reported national data in accordance with standard concepts and definitions and in the light of evaluations by U.S. missions abroad makes this body of material particularly useful for present purposes.

In addition to AID, data have also been obtained from various international agencies, particularly the Organization for Economic Cooperation and Development (OECD), the World Health Organization (WHO), and the United Nations Educational, Scientific and Cultural Organization (UNESCO). These agencies also seek to provide standard data for comparisons between countries and from year to year, but because of limitations and ambiguities in national reports they, like AID, are not always able to achieve full comparability.

Data for Communist countries have been obtained from a variety of Western sources, particularly various compendia published by the Joint Economic Committee of the U.S. Congress, and the annual *Military Balance* reports of the Institute for Strategic Studies. National statistical publications, including the Soviet annual statistical handbook, have also been used.

Further discussion of data concepts, sources, and methods will be found below.

Country Coverage

This report covers a total of 120 countries. Sixteen of the 127 members of the United Nations are not covered for various reasons. Data for the Byelorussian and Ukrainian Soviet Socialist Republics are included with those of the Soviet Union as a whole. The other 14 U.N. members not covered are small developing nations, almost all of which have gained independence since the initiation of this report, and for which data would

not always be available. On the other hand, this report covers nine countries which are not U.N. members: East and West Germany, Switzerland, Mainland China, North Korea and the Republic of Korea, North Vietnam and the Republic of Vietnam, and Southern Rhodesia.

Country groupings and regions follow AID practice. They are essentially geographical. It should be noted, however, that the term North America is used here to include only the United States and Canada; that Mexico and all of Central and South America are included in Latin America; and that the United Arab Republic is assigned to the Near East with other Asian countries and not to Africa. Total NATO consists of North America and European NATO, with the latter including Turkey.

Developed and Developing Countries

Of the 120 countries covered in the report, 93 are classified as "developing" and 27 as "developed." (See Definitions of Terms, page 7, for the countries falling into each category.) In tables II, III, IV, and V, "developed" countries are designated by the symbol (*); all others are "developing."

For the non-Communist countries, the assignment of countries to one or the other category follows AID practice. For both non-Communist and Communist, the assignment is primarily based on per capita GNP. Most of the countries classified as developing have a per capita GNP below \$500, and all but Bulgaria, Israel, Kuwait, and Libya have less than \$1,000. Although it also is below the \$1,000 level, the Republic of South Africa is classed as developed. In these latter cases, other factors which are taken into account include national literacy and mortality rates, levels of industrialization, and terms of trade.

Gross National Product (GNP)

AID is the source of the GNP data used in this report for 93 non-Communist countries. In most cases, these data are based on national accounts published by the country in question. Several developing country estimates (those marked "e") are based on very limited information, and inter-country comparisons on such a basis should be avoided.

Warsaw Pact GNP estimates are based on data

in compilations of the Joint Economic Committee of the U.S. Congress: Stanley H. Cohn, "General Growth Performance of the Soviet Economy," in *Economic Performance and the Military Burden in the Soviet Union* (Joint Committee Print 1970) and Thad P. Alton, "Economic Structure and Growth in Eastern Europe," in *Economic Developments in Countries of Eastern Europe* (Joint Committee Print 1970). GNP estimates for Albania, Mainland China, Cuba, Mongolia, North Korea, and North Vietnam are rough approximations.

Military Expenditures

AID compiles figures on military expenditures for most non-Communist countries, adjusting national data to a standard definition of military expenditures where possible. The standard definition calls for current and capital expenditures made to meet the needs of the armed forces. This includes all expenditures of national defense agencies except those for civilian programs. Also included are the military components of mixed military-civilian activities such as atomic energy, space, research and development, and significant paramilitary forces, where such components can be distinguished.

Military assistance to foreign countries, retirement pensions of career personnel, and military stockpiling are included in the standard concept of military expenditures, whereas civil defense, civilian space, and industrial stockpiling are excluded.

The estimates of Soviet military spending in U.S. dollars are adapted from national data and various estimates made by Western analysts. Many Western observers believe that the announced Soviet defense budget omits some expenditure categories in the standard definition, such as military research and development outlays, military space and nuclear energy programs, and subsidies to defense industries. The present estimates attempt to allow for such omissions. It should be noted that the estimates of Soviet military expenditures, which represent the estimated value of Soviet military spending in terms of U.S. prices, are not directly comparable to the estimates of Soviet GNP because of the use of dissimilar conversion rates. (See Conversion Rates, page 35.)

Military expenditures for the remainder of the Warsaw Pact countries are based on announced

military budgets, with no allowance made for possible omissions in coverage. Like the Soviet estimates, the other Warsaw Pact defense outlays are converted into dollars at approximate purchasing power parities.

For Mainland China, very rough estimates are derived from fragmentary information. No budgetary data have been issued since 1960.

Foreign Economic Aid

With the exception of estimates for Warsaw Pact countries and Mainland China, the data are based on information made available by the Development Assistance Committee (DAC) of OECD. These data cover aid given by the 16 donor countries which report to the DAC: Australia, Austria, Belgium, Canada, Denmark, France, West Germany, Italy, Japan, Netherlands, Norway, Portugal, Sweden, Switzerland, United Kingdom, and the United States. Their aid is made up of disbursements of official (i.e., governmental) net bilateral grants and similar aid, gross bilateral lending (gross of repayments of principal and service charges), and net contributions to multilateral agencies.

Data shown for DAC donor countries include bilateral aid to countries, territories, and dependencies not covered by the present report. (In the case of Portugal, which is considered "developed" by OECD and "developing" in this report, the aid shown in table II is given entirely to Portuguese overseas territories.) Consequently, the bilateral aid component of all DAC aid given exceeds by \$1.4 billion the bilateral aid component of aid received by the countries covered in this report.

On the other hand, the contributions of DAC donors to multilateral agencies were \$0.1 billion less than the aid extended by these agencies in 1968. The net result of these two partially offsetting disparities—the incomplete coverage of recipients in the case of bilateral aid, and the excess of aid given over contributions received by multilateral agencies—accounts for the discrepancy of \$1.3 billion between total worldwide aid received and given as shown in table II.

Economic aid provided by Communist countries to non-Communist countries is shown by donor in the "Given" column; in the "Received" column, however, this aid is shown only in the

world total and not by recipient country and region. Entries for Communist donors show estimated gross aid delivered to all non-Communist developing countries as a total; aid between Communist countries is excluded. Estimates of Communist aid delivered on a worldwide basis are derived by ACDA from dollar estimates of aid commitments as published by the U.S. Department of State, roughly adjusted on the basis of apparent marked differences in the past between aid commitments and actual deliveries by Communist donors.

Education

For both education and health, national data have been compiled on a worldwide basis for public, that is, governmental, expenditures only. Very limited data are available on private spending (see footnotes 3 and 4 to table II).

The user should be cautioned that although both UNESCO and WHO provide respondent countries with standard data definitions, the data reported by these sources may not be fully comparable in terms of coverage, and revisions of previously published data often make comparisons over time for individual countries uncertain.

Worldwide data for 1968 public education expenditures are not expected to be publicly available from UNESCO until late 1971. Except for the United States, Warsaw Pact, and some developing countries, the expenditures shown in the present report are ACDA estimates based on the latest available data (generally 1967) provided to ACDA by UNESCO. Projections for 1968 were made on the assumption of a constant ratio to GNP. In a number of developing countries where 1968 data were available from AID, these data were used in preference to earlier UNESCO data. The Soviet estimate is based on budget data reported in the national statistical yearbook. These data are converted into dollars at rates adapted from estimates by Abram Bergson and Morris Bornstein (see Conversion Rates, page 35). Other Warsaw Pact figures are generally from published budget data, converted to dollars using rough purchasing power factors applicable to GNP as a whole.

The entry for the United States is from the U.S. Office of Education's *Digest of Educational Statistics*, 1969 edition.

Health

Public health expenditures are drawn from a variety of sources and are not fully comparable from country to country, and from year to year. Capital as well as current expenditures by all levels of government are included wherever data permit. (In previous ACDA reports, capital expenditures had been excluded.) The world and regional totals are believed to reflect reasonably accurate orders of magnitude.

For 68 countries, data in table II were prepared from local currency series published in *World Health Statistics Report*, Vol. 23, No. 11, 1970, World Health Organization, Geneva. Data for 1968 were not always available in the WHO report, and numerous estimates for 1968 were projected by ACDA from earlier year data on the basis of GNP growth.

AID provided data for 21 other countries. These data, however, usually represent central government expenditures and exclude expenditures by other levels of government.

Data for three other countries are from official national budget sources.

For 26 remaining countries (those marked "e" in table II), estimates were made on the basis of the average portion of GNP devoted to public health expenditures in other countries in the same region, or in contiguous countries with similar economies.

As with education, the estimate for the U.S.S.R. is based on budget data as reported in national statistical handbooks and converted to dollars at an estimated purchasing power equivalent rate for health services.

The U.S. figure is from "National Health Expenditures FY 1929-79 and CY 1929-69," Research and Statistical Note 25, December 14, 1970, U.S. Social Security Administration, Washington.

Population

Population estimates for mid-1968 are primarily from the United Nations *Monthly Bulletin of Statistics*, August 1970. In selected cases, AID modifications made on the basis of evaluations from U.S. missions abroad were used. The estimate for Mainland China was supplied by John S. Aird, based on his *Estimates and Projections of the Population of Mainland China: 1953-1986*, U.S.

Bureau of the Census, International Population Reports, Series P-91 No. 17, Washington, 1968.

Armed Forces

The data are intended to cover military personnel actually on duty, including paramilitary forces where such forces add substantially to a nation's military capabilities. Reserves are excluded for all countries in the present report.

Estimates for the number of men under arms were derived from data in: *The Statesman's Yearbook*, MacMillan, London (1963, 1966, 1967, and 1968 editions); the *Information Please Almanac and Yearbook*, Simon and Schuster, New York (1965, 1966, and 1967 editions); and The Institute for Strategic Studies, *The Military Balance*, London (1964 through 1970 editions).

Conversion Rates

For most countries, official exchange rates were used to convert from national currencies to U.S. dollars. Alternative rates were used for the Warsaw Pact and most other Communist nations, including the Soviet Union, and for several countries in Latin America and the Far East where official rates appear to yield unrealistic dollar equivalents, have not been established, or are not in use.

For the Warsaw Pact countries, rough purchasing power parities were used in place of official rates. For the Soviet Union, different conversion factors were used for GNP, military expenditures, public health, and education. These were adapted and updated primarily from dollar/ruble parities for the year 1955 estimated by Abram Bergson (*The Comparative National Income of the USSR and the USA*, Conference on Research and Wealth, Toronto, May 1970, forthcoming) and by Morris Bornstein ("A Comparison of Soviet and United States National Product" in the Joint Economic Committee compendium, *Comparisons of the United States and Soviet Economies*, Part II, 1959).

It should be noted that the conversion rates for Soviet GNP are constructed on a different basis from those for military expenditures, public education, and public health. As a result, the GNP estimate is not directly comparable to the public expenditures shown for the Soviet Union. According to the source (see GNP, page 33 above),

GNP was converted at a parity reflecting an average of U.S. and Soviet product compositions; this is believed to provide the best single measure of the size of Soviet GNP relative to the United States in dollars. The conversion rates for military, education, and health expenditures, on the other hand, are based on the Soviet composition of spending on personnel and other outlays. If Soviet GNP were converted to dollars on a comparable basis (that is, with price ratios weighted by the Soviet composition of goods and services), it is estimated that GNP would be some 30-40% higher than that shown in the table. (See also table II, footnote 9.)

For other Warsaw Pact countries, conversion rates were derived from dollar estimates of GNP, as provided by the source in constant dollars and converted to current dollars by use of the U.S. GNP deflator, and national currency estimates of GNP. The latter were based on official data on net material product and ratios of the latter to GNP as estimated by Alton and associates for earlier years. (For sources, see Thad P. Alton, *op. cit.* under GNP.)

The implicit rates derived in this manner from dollar and national currency estimates of GNP were used for public education and public health. These rates were further modified when applied to military expenditures by eliminating turnover taxes from GNP, to approximate a factor cost valuation.

The conversion factors used for Argentina, Brazil, Chile, Colombia, Indonesia, Peru, and Uruguay are average annual free market rates cited in *World Currency Charts*, American International Investment Corporation, San Francisco, June 1970.

It is recognized that the official exchange rates used for most countries are not an ideal means for converting national currencies into a common denominator. Official rates, even if they originally reflected relative foreign trade prices accurately, do not reflect relative internal prices; once fixed, they are too often inflexible with respect to price changes over time; and occasional devaluations produce such large changes that trends are distorted.

Ideally, to compare and sum up the GNP and military and other public expenditures of various countries, outlays in the respective currencies should be converted to a common currency by

use of purchasing power parities which would reflect the internal purchasing powers of the currencies for all goods and services making up GNP. Furthermore, these parities should differ for each component sector of GNP, since the appropriate parity depends on the particular mix of goods and services involved.

However, purchasing power parities of this type are difficult to estimate and are available only for a relatively few countries. (In addition to the estimates for the Soviet Union cited above, the well-known calculations for the United States and major European countries and Japan by Milton Gilbert, Irving Kravis, and associates for the OECD are virtually the only ones available, and they are now relatively old.)

An attempt was made in previous ACDA reports in this series (for 1965 and 1966-67) to estimate such parities for a broad number of countries and to use these parities to convert national aggregates into dollars. (A description of these estimates is available on request.) For many countries, however, a sufficiently reliable basis for estimating purchasing power parities does not yet appear to be available and the preparation of world estimates on this basis has been discontinued for the time being. It is hoped that improvements in methods of conversion can be made in future reports.

Prices

Military spending and GNP from 1964 through 1970 in constant 1968 prices, as shown in table I and charted in the text, were approximated through the use of U.S. GNP deflators for the United States and Communist countries, and average adjustment factors for the developed and less-developed groups of non-Communist countries. The average adjustment factors for these latter two groups of countries were derived by ACDA from GNP growth rates estimated by AID for these groups on a worldwide basis using constant 1968 prices and exchange rates (as reported in AID, *Gross National Product: Growth Rates and Trend Data by Region and Country*, RC-W-138, April 30, 1970). These growth rates, together with growth rates derived from data at current prices and exchange rates as set forth in table IV and estimated for recent years, yield factors for converting current dollars into constant

dollars which adjust for both price and exchange rate changes.

For the Communist countries, whose estimates in current dollars are intended to reflect current purchasing power equivalence, the implicit price deflators applicable to U.S. GNP (*Economic Report of the President*, Washington, February 1970, and a preliminary Department of Commerce estimate for 1970) were used to convert to 1968 dollars.

For all groups, the same deflator was used for GNP and military expenditures. It should be noted that the difference between the "current dollar" and "constant dollar" series in table I

does not fully reflect price changes, since the current dollar series incorporates some changes in conversion rates, which partially offset price changes. The changes in rates result from changes in official exchange parities, and from the use of purchasing power parities for Communist and several high-inflation developing countries, which take account of relative price movements.

Estimates in constant prices in table I are in terms of 1968 dollars, to facilitate comparison with the individual country data in table II. It is roughly estimated that the world data in table I would be about 12 percent higher in 1970 dollars than in 1968 dollars.